



City of
minnetonka
2017 Budget

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minnetonka

2017 Budget

Minnetonka, Minnesota

Adopted December 5, 2016

City Council:

Terry Schneider, Mayor
Patty Acomb, Councilmember at Large
Dick Allendorf, Councilmember At Large
Tim Bergstedt, Councilmember Ward 4
Bob Ellingson, Councilmember Ward 1
Tony Wagner, Councilmember Ward 2
Brad Wiersum, Councilmember Ward 3

Staff:

Geralyn Barone, City Manager
Perry Vetter, Assistant City Manager
Merrill King, Finance Director/Treasurer
Will Manchester, City Engineer
Corrine Heine, City Attorney
Dave Johnson, Recreation Services Director
Scott Boerboom, Chief of Police
John Vance, Fire Chief
Brian Wagstrom, Public Works Director
Julie Wischnack, Community Development

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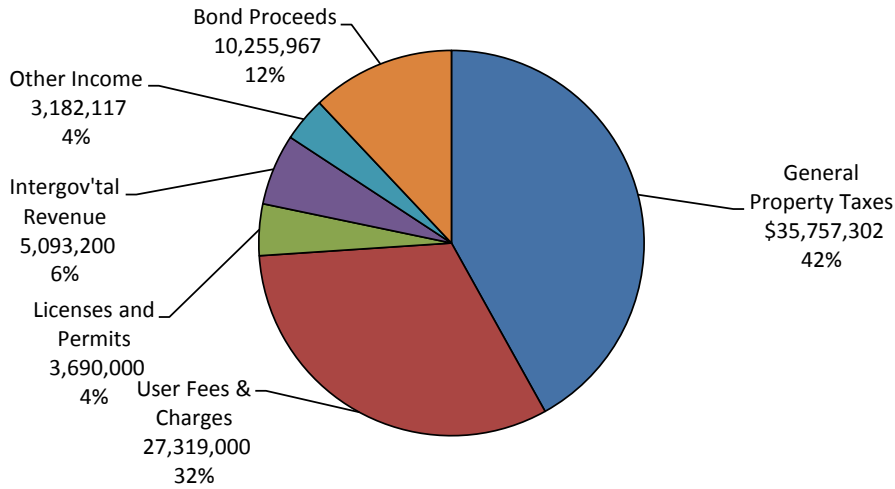
CONSOLIDATED BUDGETS SUMMARY - ALL FUNDS

<u>Revenue</u>	<u>2016 Revised</u>	<u>2017 Budget</u>
General Property Taxes	\$ 34,412,534	\$ 35,757,302
User Fees & Charges	28,936,200	27,319,000
Licenses and Permits	3,480,000	3,690,000
Intergovernmental Revenue	3,798,445	5,093,200
Other Income	2,555,000	3,182,117
Other Sources - Bond Proceeds	20,651,720	10,255,967
Total Revenue	<u>\$ 93,833,899</u>	<u>\$ 85,297,586</u>
<u>Expenditures</u>		
By Program:		
Public Safety	\$ 14,216,700	\$ 15,363,900
Streets & Utilities	55,380,826	45,657,864
Parks & Environment	7,546,845	4,899,800
Recreation	6,295,400	6,292,000
Development	4,276,445	4,089,500
General Government	5,664,497	5,682,000
Total Expenditures by Program	<u>\$ 93,380,713</u>	<u>\$ 81,985,064</u>
By Category:		
Personnel	\$ 27,886,800	\$ 29,327,000
Supplies	3,784,200	3,872,900
Services & Charges	18,867,404	18,006,600
Capital Outlay	28,906,200	29,458,901
Debt Service	13,936,109	1,319,663
Total Expenditures by Category	<u>\$ 93,380,713</u>	<u>\$ 81,985,064</u>

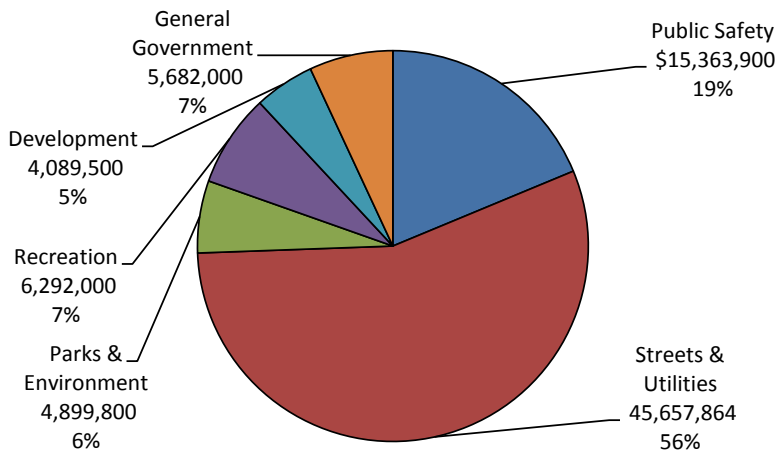
Note: Internal service fund budgets are accounted for twice in this summary to better reflect costs by program and category. They appear once from the internal service fund and once from the respective fund incurring the charge for service.

2017 CONSOLIDATED BUDGETS - ALL FUNDS

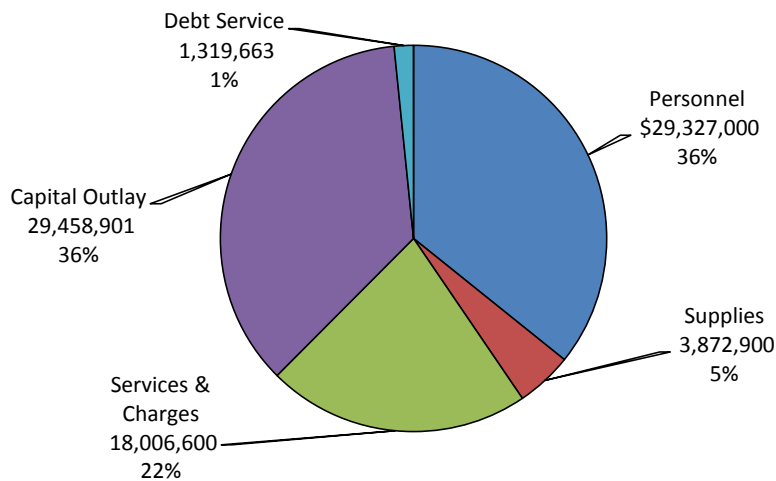
Revenue



Expenditures by Program



Expenditures by Category



GENERAL FUND REVENUES & EXPENDITURES

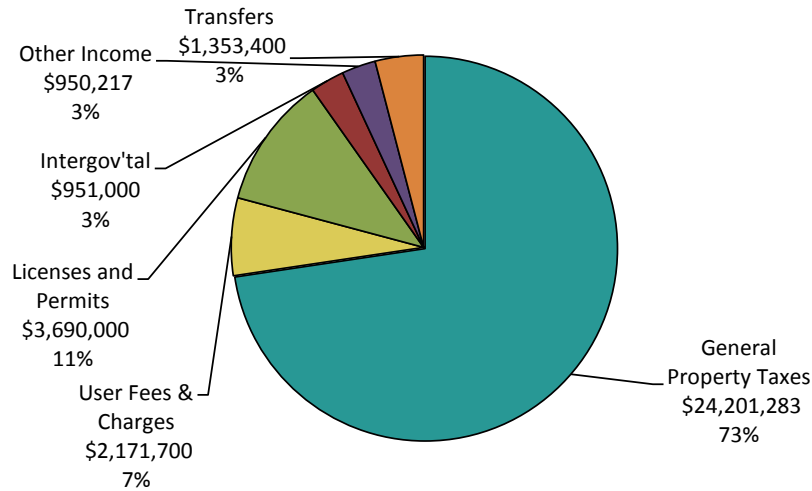
	2014 Actual	2015 Actual	2016 Budget	2016 Revised	2017 Budget
Revenues					
General Property Taxes	\$ 21,332,619	\$ 22,461,142	\$ 23,230,800	\$ 23,230,800	\$ 24,201,283
Licenses & Permits	3,597,742	4,846,567	3,315,000	3,480,000	3,690,000
Intergovernmental Revenue	923,281	1,029,000	903,800	951,000	951,000
Transfers	1,391,900	1,339,800	1,350,500	1,350,500	1,353,400
User Fees & Charges	1,923,783	1,977,459	2,093,000	2,058,000	2,171,700
Other Income	978,452	972,945	950,900	881,100	950,217
Total Revenues	\$ 30,147,777	\$ 32,626,913	\$ 31,844,000	\$ 31,951,400	\$ 33,317,600
Expenditures					
Police	\$ 8,363,120	\$ 8,264,195	\$ 8,918,800	\$ 8,899,700	\$ 9,154,700
Dispatch	806,070	836,047	889,600	879,900	894,100
Fire	2,431,914	2,529,138	2,666,100	2,675,200	2,972,000
Environmental Health	347,579	353,235	366,600	366,600	397,900
Legal	722,106	756,846	779,500	779,500	805,000
<i>Subtotal, Public Safety</i>	<i>\$ 12,670,789</i>	<i>\$ 12,739,461</i>	<i>\$ 13,620,600</i>	<i>\$ 13,600,900</i>	<i>\$ 14,223,700</i>
Engineering	1,063,284	1,155,918	1,189,700	1,149,200	1,238,800
Street Maintenance	3,416,452	3,181,669	3,472,600	3,472,600	3,604,800
Building Maintenance	1,024,252	1,069,332	1,240,400	1,240,400	1,284,100
<i>Subtotal, Streets & Utilities</i>	<i>\$ 5,503,988</i>	<i>\$ 5,406,919</i>	<i>\$ 5,902,700</i>	<i>\$ 5,862,200</i>	<i>\$ 6,127,700</i>
Parks & Trails	1,598,530	1,547,071	1,661,200	1,661,200	1,740,300
Natural Resources	1,056,904	1,130,427	1,300,200	1,300,200	1,358,700
<i>Subtotal, Parks & Environment</i>	<i>\$ 2,655,434</i>	<i>\$ 2,677,498</i>	<i>\$ 2,961,400</i>	<i>\$ 2,961,400</i>	<i>\$ 3,099,000</i>
Joint Recreation	1,354,755	1,381,147	1,378,200	1,333,300	1,420,400
Minnetonka Recreation	767,880	556,740	632,900	636,600	634,400
Senior Services	343,810	359,829	371,500	371,500	384,900
Community Center	478,232	463,351	533,400	527,200	545,000
<i>Subtotal, Recreation</i>	<i>\$ 2,944,677</i>	<i>\$ 2,761,067</i>	<i>\$ 2,916,000</i>	<i>\$ 2,868,600</i>	<i>\$ 2,984,700</i>
Community Development	1,439,168	1,574,735	1,604,800	1,675,100	1,686,700
Planning	543,827	600,481	706,100	706,100	721,300
Assessing	652,057	659,915	727,200	727,200	767,200
<i>Subtotal, Development</i>	<i>\$ 2,635,052</i>	<i>\$ 2,835,131</i>	<i>\$ 3,038,100</i>	<i>\$ 3,108,400</i>	<i>\$ 3,175,200</i>
Mayor & City Council	210,731	223,494	241,200	237,500	242,700
General Administration	1,286,557	1,286,972	1,470,600	1,442,100	1,682,800
Information Technology	752,089	760,646	877,600	876,600	859,000
Finance	740,657	767,132	840,800	840,700	872,800
<i>Subtotal, General Government</i>	<i>\$ 2,990,034</i>	<i>\$ 3,038,244</i>	<i>\$ 3,430,200</i>	<i>\$ 3,396,900</i>	<i>\$ 3,657,300</i>
Contingency	\$ -	\$ -	\$ 50,000	\$ 50,000	\$ 50,000
Total Expenditures	\$ 29,399,974	\$ 29,458,320	\$ 31,919,000	\$ 31,848,400	\$ 33,317,600
Surplus of Revenues over Expenditures	747,803	3,168,593	(75,000)	103,000	-
Transfer to Capital Replacement Fund	(775,000)	(800,000)	(230,000)	(230,000)	(355,000)
Transfer to Other Funds	-	(200,000)	(250,000)	(250,000)	(385,000)
Beginning Fund Balance	17,518,999	17,491,802	19,660,395	19,105,395	18,728,395
Ending Fund Balance	\$ 17,491,802	\$ 19,660,395	\$ 19,105,395	\$ 18,728,395	\$ 17,988,395
Nonspendable Balances - Inventories	104,766	263,171	145,000	145,000	175,000
Unrestricted Balances					
Committed for Compensated Absences	1,050,000	1,000,000	1,020,000	1,020,000	1,010,000
Assigned for POC Fire Pensions	165,900	190,900	190,900	190,900	190,900
Assigned for Rec Scholarships & Sr. Ctr.	15,000	15,000	15,000	15,000	15,000
Assigned as Budget Stabilization	12,413,500	12,767,600	13,189,000	13,327,040	13,766,900
Unassigned	3,742,636	5,423,724	4,545,495	4,030,455	2,830,595
Ending Fund Balance	\$ 17,491,802	\$ 19,660,395	\$ 19,105,395	\$ 18,728,395	\$ 17,988,395
Budget Stabilization Balance Policy Goal	42.1%	40.0%	39.6%	40.0%	40.0%

GENERAL FUND REVENUE

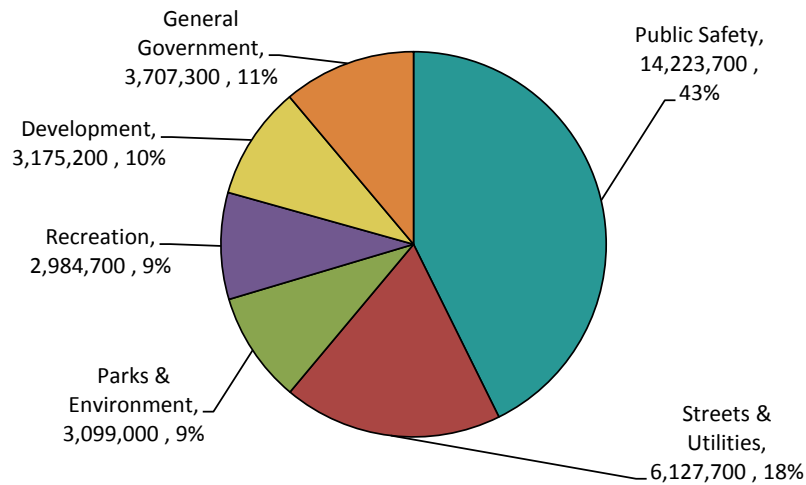
	2014 Actual	2015 Actual	2016 Budget	2016 Revised	2017 Budget
General Property Taxes					
Ad Valorem Tax Levy	\$ 21,989,901	\$ 22,789,051	\$ 23,695,800	\$ 23,695,800	\$ 24,566,283
Abatements & Cancellations	(639,060)	(313,172)	(450,000)	(450,000)	(350,000)
Other, incl. Tax Forfeit Sale Revenue	600	600	-	-	-
Penalties & Interest	(18,822)	(15,337)	(15,000)	(15,000)	(15,000)
<i>Subtotal, General Property Taxes</i>	\$ 21,332,619	\$ 22,461,142	\$ 23,230,800	\$ 23,230,800	\$ 24,201,283
Licenses & Permits					
Building Permits	\$ 1,874,767	\$ 2,724,163	\$ 1,800,000	\$ 1,810,000	\$ 1,995,000
Plumbing Permits	218,739	263,453	220,000	235,000	295,000
Electrical Permits	379,634	478,167	250,000	275,000	295,000
Heating Permits	412,750	596,415	375,000	375,000	390,000
On Sale Liquor Licenses	223,952	224,979	220,000	235,000	225,000
Food Handlers Licenses	202,358	230,388	200,000	200,000	210,000
All Other Licenses & Permits	285,542	329,002	250,000	350,000	280,000
<i>Subtotal, Licenses & Permits</i>	\$ 3,597,742	\$ 4,846,567	\$ 3,315,000	\$ 3,480,000	\$ 3,690,000
Intergovernmental Revenue					
Public Safety State Aid	\$ 759,549	\$ 782,471	\$ 782,500	\$ 829,700	\$ 829,700
MSA Maintenance	71,310	76,650	71,300	71,300	71,300
State MVHC Payment	93	149	-	-	-
Other Grants/Aid	92,329	169,730	50,000	50,000	50,000
<i>Subtotal, Intergovernmental Revenue</i>	\$ 923,281	\$ 1,029,000	\$ 903,800	\$ 951,000	\$ 951,000
Transfers					
Transfer From Utility Fund	\$ 862,700	\$ 800,000	\$ 800,000	\$ 800,000	\$ 800,000
Transfer From Spec. Assess. Fund	36,500	37,200	37,900	37,900	38,300
Transfer From Ice Arena Fund	30,000	30,600	31,200	31,200	31,500
Transfer From Cable TV Fund	30,000	30,600	31,200	31,200	31,500
Transfer From Development Fund	58,200	59,400	60,600	60,600	61,200
Transfer From Environmental Fund	183,200	186,900	190,600	190,600	192,500
Transfer From Williston Center	45,000	45,900	46,800	46,800	47,300
Transfer From Gray's Bay Marina	10,600	10,800	11,000	11,000	11,100
Transfer From Storm Water Fund	135,700	138,400	141,200	141,200	140,000
<i>Subtotal, Transfers</i>	\$ 1,391,900	\$ 1,339,800	\$ 1,350,500	\$ 1,350,500	\$ 1,353,400
User Fees & Charges					
Recreation Receipts	1,125,655	1,119,911	1,190,000	1,155,000	1,200,000
Community Center Rental	99,656	108,054	120,000	120,000	125,000
School Liaison Reimbursement	321,520	338,673	348,700	348,700	363,900
Tower Antenna Rental	376,952	410,821	434,300	434,300	482,800
<i>Subtotal, User Fees & Charges</i>	\$ 1,923,783	\$ 1,977,459	\$ 2,093,000	\$ 2,058,000	\$ 2,171,700
Other Income					
Court Fines	\$ 461,822	\$ 517,306	\$ 532,000	\$ 440,000	\$ 510,000
Investment Income	119,995	165,218	150,000	150,000	150,000
Miscellaneous Income	288,712	299,518	268,900	291,100	290,217
Change in Value of Investments	107,923	(9,097)			
<i>Subtotal, Other Income</i>	\$ 978,452	\$ 972,945	\$ 950,900	\$ 881,100	\$ 950,217
TOTAL REVENUES	\$ 30,147,777	\$ 32,626,913	\$ 31,844,000	\$ 31,951,400	\$ 33,317,600

2017 General Fund OPERATING REVENUES & EXPENDITURES

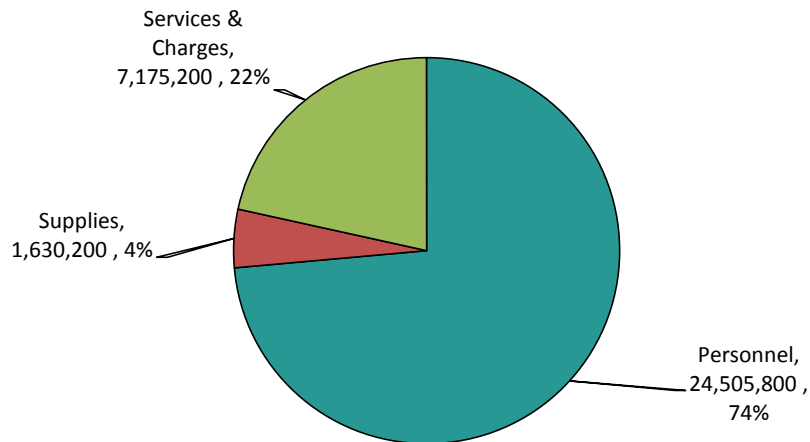
Revenues



Expenditures by Program



Expenditures by Category



TAX LEVIES

Tax Base	2015	2016	2017	
Real Estate	\$ 98,221,908	\$ 103,533,501	\$ 106,961,315	Estimate
Personal Property	811,925	837,902	901,103	Estimate
Fiscal Disparities Contribution	(13,140,436)	(13,311,268)	(14,709,039)	Estimate
Fiscal Disparities Distribution	3,422,577	3,566,532	3,960,149	Estimate
Tax Increment	(2,039,240)	(2,156,775)	(2,408,150)	Estimate
Total Tax Capacity	\$ 87,276,734	\$ 92,469,892	\$ 94,705,378	Estimate
Taxable Referendum Market Value	\$ 8,000,589,350	\$ 8,421,246,100	\$ 8,706,615,400	Estimate
City Tax Levy				
General Fund	\$ 23,076,545	\$ 23,695,800	\$ 24,566,283	
Street Improvement Fund	6,000,000	6,100,000	6,200,000	
Capital Replacement Fund	1,035,000	1,666,000	1,730,000	
Park & Trail Improvement Fund	560,000	560,000	560,000	
Technology Development Fund	415,000	395,000	580,000	
Forestry Fund	116,000	54,000	54,000	
Public Safety Fund	550,000	550,000	550,000	
Ridgedale Tax Abatement	na	26,000	81,000	
Tax Capacity Tax Levy	\$ 31,752,545	\$ 33,046,800	\$ 34,321,282	
Market Value Tax Levy (Park Bonds)	1,059,489	1,067,640	1,336,519	
Total Tax Levy	\$ 32,812,034	\$ 34,114,440	\$ 35,657,801	
City Tax Rate				
General Fund	26.441	25.625	25.940	
Street Improvement Fund	6.875	6.597	6.547	
Capital Replacement Fund	1.186	1.802	1.827	
Park & Trail Improvement Fund	0.642	0.606	0.591	
Technology Development Fund	0.475	0.427	0.612	
Forestry Fund	0.133	0.058	0.057	
Public Safety Fund	0.630	0.595	0.581	
Total City Tax Capacity Tax Rate	36.565	35.674	36.155	Estimate
Total Market Value Tax Rate	0.0001324	0.0001268	0.0001535	Estimate
HRA Tax Levy				
HRA Tax Capacity Tax Rate	\$ 175,000	\$ 175,000	\$ 175,000	
	0.201	0.189	0.185	Estimate
HRA Tax Levy % of Market Value	0.002187%	0.002078%	0.002010%	

POLICE DEPARTMENT

Expenditures by Category	2014 Actual	2015 Actual	2016 Budget	2016 Revised	2017 Budget
Personnel	\$7,027,742	\$7,096,761	\$7,532,500	\$7,522,600	\$7,764,500
Supplies	452,773	337,294	440,500	435,000	458,900
Other Services & Charges	916,191	830,140	1,021,600	1,008,000	1,008,400
Capital Outlay	33,586	20,688	-	-	-
Totals	\$ 8,430,292	\$ 8,284,883	\$ 8,994,600	\$ 8,965,600	\$ 9,231,800
Method of Financing					
General Fund	\$ 8,363,120	\$ 8,264,195	\$ 8,918,800	\$ 8,899,700	\$ 9,154,700
Drug and DWI Forfeiture Funds	33,586	20,688	12,200	65,900	77,100
Totals	\$ 8,396,706	\$ 8,284,883	\$ 8,931,000	\$ 8,965,600	\$ 9,231,800
Number of Employees (FTEs)*	66.45	66.45	67.45	67.45	67.45

Description of Services:

The police department is responsible for providing police services to the community. This includes: emergency response, investigative services, homeland security, crime prevention, and proactive and reactive patrol. The department works collaboratively with other city departments, three school districts and community partners to include other law enforcement agencies to maximize its effectiveness. The city complies with all state and federal reporting requirements for the maintenance of police records and data relevant to the criminal justice requirements.

Key Measures:	2014 Actual	2015 Actual	2016 Estimated	2017 Projected
Community survey satisfaction	100%	99%	98%	98%
Calls for service	43,469	43,651	40,352*	44,037
Criminal offenses - Part I & II	2,157	2,392	2,094*	2,295
Citations (Criminal/Juvenile)	187	174	114*	180
Emergency calls (medicals)	2,865	2,835	3,142	3,105
Traffic Response	19,059	18,489	14,608*	19,160
Identity Theft	66	315	276	295

Budget Comments/Issues:

The 2017 budget for the Police Department provides funding for current level of public safety services. The city will place an increased emphasis on community engagement.

- In 2016, the city hired one additional full-time investigator to address increasing cases of identity theft, other fraud and complex financial transaction crimes. In 2017, staff will identify additional identity theft prevention programming that will be offered to businesses and residents to take on these and other finance related crimes.
- The department will continue to prioritize traffic education/enforcement with the focus on speed, seatbelt, red light violations, distracted driving, and DWI in 2017. As a result of these efforts in past years, the department has seen a decline in citizen complaints.
- Estimated numbers for key measures in 2016 (marked with an *) are lower than expected due to staff shortage, a new and significant records management system and training associated with the new system.
- Expenditures from DWI and drug forfeiture funds include: Emergency vehicle operating course training for patrol officers and community service officers; tasers; radars; speed notification displays; license plate reader and other supplemental DWI enforcement and equipment not otherwise funded by the General Fund.
- The department will purchase computer forensic software that will allow staff to investigate technology related crimes more efficiently.

POLICE DISPATCH DIVISION - Police Department

Expenditures by Category	2014 Actual	2015 Actual	2016 Budget	2016 Revised	2017 Budget
Personnel	\$ 794,766	\$ 824,463	\$ 863,500	\$ 863,500	\$ 867,700
Supplies	2,709	1,529	9,700	9,400	9,700
Other Services & Charges	8,595	10,055	16,400	7,000	16,700
Totals	\$ 806,070	\$ 836,047	\$ 889,600	\$ 879,900	\$ 894,100

Method of Financing	2014 Actual	2015 Actual	2016 Budget	2016 Revised	2017 Budget
General Fund	\$ 806,070	\$ 836,047	\$ 889,600	\$ 879,900	\$ 894,100

Number of Employees (FTEs)	2014	2015	2016	2016	2017
	9.00	9.00	9.00	9.00	9.00

Description of Services:

The City of Minnetonka's Public Safety Answering Point (PSAP) provides a vital communication link between the community and their public safety first responders. Dispatchers are responsible for answering 9-1-1 and non-emergency telephone calls for police, fire and medical response and dispatching appropriate resources. They monitor computer and radio transmissions, enter call/incident information into computer aided dispatch (CAD), run state and federal queries and monitor city alarms and video surveillance for the public safety facility.

<u>Key Measures:</u>	2014 Actual	2015 Actual	2016 Estimated	2017 Projected
Non-emergency phone calls	35,494	35,588	35,714	36,437
9-1-1 phone calls	18,971	18,963	18,874	19,799
9-1-1 calls answered within 10 seconds	97%	96%	97%	97%
Resident dispatch customers satisfied with PSAP services	98%	99%	95%	96%

Budget Comments/Issues:

The 2017 budget for the Dispatch Division provides funding for current level of services in part by using flex, part-time public safety dispatchers to help reduce overtime costs.

- Staff has been trained to maintain and troubleshoot 9-1-1 phone system, discontinuing the need to maintain a service agreement with an outside vendor.
- Staff will research the feasibility of adding additional agencies to our redundant fiber/microwave link between St. Louis Park and Minnetonka. This link has the capability to provide backup to Edina and Eden Prairie dispatch centers.
- Additional funding to support operating and capital of the division is provided through state funded 9-1-1 surcharges to cell phone and wire line users. These costs are budgeted in the Grants Special Revenue Fund (separate budget page) and are used to finance 9-1-1 related costs, including dispatching equipment, training and costs not supported by other city funds. Miscellaneous PSAP expenses not financed by the General Fund are supported by this fund.

FIRE DEPARTMENT

Expenditures by Category	2014 Actual	2015 Actual	2016 Budget	2016 Revised	2017 Budget
Personnel	\$ 1,427,172	\$ 1,564,005	\$ 1,729,000	\$ 1,729,000	\$ 2,006,400
Supplies	106,748	192,183	168,000	176,500	168,300
Other Services & Charges	897,994	772,950	769,100	769,700	797,300
Capital Outlay	-	-	-	-	-
Totals	\$ 2,431,914	\$ 2,529,138	\$ 2,666,100	\$ 2,675,200	\$ 2,972,000
Method of Financing					
General Fund	\$ 2,431,914	\$ 2,529,138	\$ 2,666,100	\$ 2,675,200	\$ 2,972,000
Number of Employees (FTEs)	5.0	5.0	6.5	6.5	8.0

Description of Services:

The Fire Department's mission is to continuously protect and preserve life and property through quality education, prevention, disaster preparedness, and rapid emergency response. The department provides key services to the city that include: firefighting, emergency medical services (EMS), hazardous material response (hazmat), fire code inspection/enforcement, equipment maintenance, and emergency management. Along with these critical services the department also provides: All National Fire Protection Association (NFPA), U.S. Occupational Safety and Health Administration (OSHA) and best practices training for it's firefighters, alarm response billing, fire prevention and life safety inspections, fire cause investigation, and public education. The fire department has an authorized strength of 80 paid-on-call firefighters. The fire department currently maintains an Insurance Service Office (ISO) rating of 3. This translates into lower insurance premiums for some Minnetonka businesses and residents.

Key Measures:	2014 Actual	2015 Actual	2016 Estimated	2017 Projected
Average response time to structure fires (minutes)*	6.45	7.33	7.15	7.15
Paid-on-call firefighters	73	80	72	79
Total fire calls, excluding medicals	1,127	1,036	1,200	1,100
Number of false alarms	245	244	240	240
Medical calls	1,100	1,505	1,500	1,500
Firefighter calls outs	149	87	150	150
Non-duty crew training hours	13,145	13,172	13,000	13,000

* Arrival of first unit

Budget Comments/Issues:

The 2017 budget provides for: (1) a new full-time firefighter technician who will serve as a laborer / support person in the operations division; (2) increasing the inspector position new in 2016 from part-time to full-time status to ensure that all high risk and commercial occupancies receive a regularly scheduled fire and life safety inspection; (3) anticipated increases in operational services fees; and (4) appropriately planned annual recruitment costs.

- In 2016, the department added an additional full-time firefighter as a permanent training officer along with a new part-time inspector. Some of the functions to be administered by the new positions in both 2016 and 2017 were previously carried out by paid-on-call (POC) firefighters, which was a result of the city's downsizing in 2009. Experience has shown that the requisite time and undertaking needed for these essential functions cannot be appropriately accomplished under the work time limitations of the federal Affordable Care Act. Continuing to shift additional support functions to these positions will allow POC personnel the ability to concentrate on emergency response, training and duty crew staffing while providing our POC staff the benefit of support in terms of care and maintenance of equipment. The result will be better use and management of part-time hours and the enhancement of recruitment and retention of POC firefighters.

- In 2017, the department will expand recruitment efforts to include multi media promotion and design an annual program that is time bound in coordination with human resources and city communications staff.

- Response times are impacted by call load and time of day. Two significant fires occurred during a major storm in 2015 that resulted in response times longer than targets due to weather conditions and multiple incidents. Also, significant road construction has begun to delay some responses due to heavy traffic congestion. Staff continues to closely monitor these issues and their impact upon services.

PUBLIC SAFETY FUND- Fire Department/Police Department

Revenues	2014 Actual	2015 Actual	2016 Budget	2016 Revised	2017 Budget
Ad Valorem Tax Levy	\$ 550,000	\$ 550,000	\$ 550,000	\$ 550,000	\$ 550,000
TIF-related Levy Proceeds	100,000	100,000	100,000	100,000	100,000
Transfer in	-	200,000	250,000	250,000	-
Investment Income, Other	5,411	3,656	1,000	-	500
Totals	\$ 655,411	\$ 853,656	\$ 901,000	\$ 900,000	\$ 650,500
Expenditures by Category					
Rescue Truck Program	-	-	-	-	225,000
Ladder Truck Program	-	1,002,895	-	-	-
Emergency Response Vehicle	-	-	175,000	175,000	-
Fire Rescue Equipment	-	-	-	-	100,000
Fire JPA SCBA Program	-	-	-	-	500,000
Lucas Device Purchase	-	13,568	-	-	16,100
Fire Turnout Gear	-	-	-	131,000	-
800 MHz Portable & Mobile Radios	241,801	560,342	565,200	107,900	-
PSAP Dispatch Consoles	-	200,000	-	-	-
Fire Station Exhaust System	32,370	-	-	-	-
Totals	\$ 274,171	\$ 1,776,805	\$ 740,200	\$ 413,900	\$ 841,100
Surplus (Deficiency) of Revenues over (under) Expenditures	381,240	(923,149)	160,800	486,100	(190,600)
Reserve for Delayed Projects				58,000	
Beginning Fund Balance	328,762	710,002	(213,147)	(213,147)	214,953
Ending Fund Balance	\$ 710,002	\$ (213,147)	\$ (52,347)	\$ 214,953	\$ 24,353

Description of Services:

The Public Safety Fund, originally coined the Fire Apparatus Fund, was created in 2011 to finance the recurring, essential replacement of costly fire and other public safety capital items on a timely basis. While regular vehicles such as patrol cars are funded through the Capital Replacement Fund, the city maintains the following fire apparatus: 9 engines, 5 ladders, 2 grass rigs, 2 utility units, and a mobile air support truck. Other high-cost purchases to be supported by this fund include public safety technology items like specialized radios and fire fighting, self-contained breathing apparatus (SCBA) as well as improvements to the city's five fire stations.

Key Measures:	2014 <u>Actual</u>	2015 <u>Actual</u>	2016 <u>Estimated</u>	2017 <u>Projected</u>
Average age of pumper trucks	14	15	16	13
Average age of ladder trucks	23	20	16	5

Budget Comments/Issues:

The 2017 budget for the Public Safety Fund includes the purchase of a lighter duty rescue truck (\$225,000) in lieu of a significantly more expensive ladder truck that would otherwise need replacement in 2020. The purchase continues to incorporate a realignment of the structure of the city's fire department apparatus to meet the current deployment and operations models without impacting the city's high insurance rating. The new structure is reflected in the reduced average age of apparatus above, as the department liquidates equipment no longer required.

- Annual levy revenue to the Public Safety Fund includes an additional \$100,000 above the adopted capital levy. This temporary funding stream is associated with returned tax increment proceeds from one of the city's Tax Increment Finance (TIF) districts, and the annual amount is scheduled to continue through the life of the district, which ends 2022.
- The 2015 and 2016 Public Safety Fund revenue included transfers in from the General Fund balance, which were adopted by council under the city's fund balance policy as part of the five-year Capital Improvements Program (CIP).
- The adopted 2017-21 CIP provides in later years for the replacement of two fire pumper trucks, one in 2018 and the other in 2020, as well as the refurbishment of the department's air truck in 2018.
- The revised 2016 budget for the Public Safety Fund reflects: 1) council's amendment of the CIP to purchase fire turnout gear in lieu of leasing, and 2) the early authorized purchase at the end of 2015 of the 800 Mhz mobile and portable radios, which enabled the city to garner a discount on the purchase price.

GRANTS SPECIAL REVENUE FUND - Finance Department

Revenues	2014 Actual	2015 Actual	2016 Budget	2016 Revised	2017 Budget
Federal Grants	\$ 141,301	\$ 46,763	\$ 50,000	\$ 62,000	\$ 64,000
State Grants	-	-	-	-	-
9-1-1	67,011	67,011	67,000	67,000	67,000
Other Local Grants	5,932	-	-	-	128,000
Investment Income	1,362	1,372	100	-	-
Totals	\$ 215,606	\$ 115,146	\$ 117,100	\$ 129,000	\$ 259,000
Expenditures by Category					
Personnel	\$ 66,277	\$ 41,723	\$ 50,000	\$ 47,000	\$ 47,000
Supplies	10,204	2,936	-	15,000	17,000
Other Services & Charges	88,986	21,403	22,000	5,000	133,000
Capital Outlay	-	190,603	110,000	44,000	-
Totals	\$ 165,467	\$ 256,665	\$ 182,000	\$ 111,000	\$ 197,000
Surplus (Deficiency) of Revenues over (under) Expenditures	50,139	(141,519)	(64,900)	18,000	62,000
<i>Beginning Fund Balance</i>	<i>130,785</i>	<i>180,924</i>	<i>39,405</i>	<i>39,405</i>	<i>57,405</i>
<i>Ending Fund Balance</i>	<i>\$ 180,924</i>	<i>\$ 39,405</i>	<i>\$ (25,495)</i>	<i>\$ 57,405</i>	<i>\$ 119,405</i>

Description of Services:

The Grants Special Revenue Fund accounts for significant special grants received by the city from outside sources. Each generally requires special accounting and reporting by the city, and the recipient departments are responsible for program reporting to the funding agency.

Key Measures:	2014 Actual	2015 Actual	2016 Estimated	2017 Projected
Federal grant programs	2	2	2	2
State grant programs, incl. E911	1	1	1	1
Other grant programs*	1	0	0	2

* Denotes local and other grants within only this fund.

Budget Comments/Issues:

As in many previous years, most grant funding in 2017 is currently projected to be for public safety programs. The city will receive a fifth year of federal funds for the Toward Zero Death (TZD) program as well as federal funds for bullet proof vests and continued state 9-1-1 funds.

- While the city previously received Safe & Sober and Operation Night Cap monies, beginning 2013 the city receives federal funding in the Grants Special Revenue Fund through the Toward Zero Death (TZD) program ~\$47,000 annually each federal year through 2017). This federal grant program is awarded on the federal fiscal year, which runs from October 1 thru September 30 each year, and specific funding to Minnetonka is apportioned amongst four cities who have jointly received the funds -- Minnetonka, Plymouth, Maple Grove and Wayzata.

- The level of funding received by the city from the state's 9-1-1 service fees is in part dependent upon the city's population relative to that of other cities in the state. Paid by cell and hardwire phone users to support emergency dispatching, the funds are restricted by the state for use in supporting maintenance and capital outlay costs of the city's Public Safety Answering Point (PSAP) system. Training achieved by city staff significantly reduced regular city annual costs for the dispatch system beginning 2016. Those savings will be used for expenditures anticipated after 2017.

- 2017 revenues and other services expenses include \$128,000 in two grants from the Hennepin County Youth Sports Grant (HCYSG) Program for Eagle Ridge Academy's gymnasium and reconstruction of field fencing for Bennett Family Park. The city also received an HCYS grant for lighting the Community Center sports fields, which is reflected in the Park & Trail Fund budget page.

- 2016 capital costs are for the replacement of the Voice Over Internet Protocol (VoIP) dispatch phone system as approved in the 2016-20 CIP. Total costs for the project were approximately \$110,000, a portion of which was expended at the end of 2015 in order to garner a significant price discount.

- 2015 capital costs included expenditures for the replacement of dispatch console equipment as approved in the 2015-19 CIP. Another \$230,000 for that project was financed by the Public Safety Fund.

ENVIRONMENTAL HEALTH DIVISION - Community Development Department

Expenditures by Category	2014 Actual	2015 Actual	2016 Budget	2016 Revised	2017 Budget
Personnel	\$ 337,614	\$ 345,477	\$ 352,500	\$ 352,700	\$ 376,200
Supplies	4,052	2,896	5,100	5,100	5,200
Other Services & Charges	5,913	3,954	9,000	8,800	16,500
Capital Outlay	-	908	-	-	-
Totals	\$ 347,579	\$ 353,235	\$ 366,600	\$ 366,600	\$ 397,900

Method of Financing	2014 Actual	2015 Actual	2016 Budget	2016 Revised	2017 Budget
General Fund	\$ 347,579	\$ 353,235	\$ 366,600	\$ 366,600	\$ 397,900

Number of Employees (FTEs)	2014	2015	2016	2016	2017
	3.5	3.5	3.5	3.5	3.5

Description of Services:

The mission of the Environmental Health Division is to ensure a safe and healthful community by inspecting all licensed establishments and investigating public health and nuisance complaints. The division is responsible for plan review and inspections of all licensed food, beverage, lodging, and massage establishments as well as all public swimming pools, refuse haulers, and vending machines. Lastly, the division is responsible for the investigation of all public health complaints and food borne illnesses and is the clearing house for the city's nuisance program, which includes the inspection/investigation of hundreds of violations each year.

<u>Key Measures:</u>	2014 Actual	2015 Actual	2016 Estimated	2017 Projected
Licensed establishments	697	720	735	740
Plans reviewed within 10 days	90%	90%	90%	90%
Significant public health complaints responded to within 2 days	100%	100%	100%	100%
Nuisance complaints	555	545	525	540
Significant nuisance complaints responded to within 5 days	100%	100%	100%	100%

Budget Comments/Issues:

The 2017 Budget for the Environmental Health Division maintains current level services.

- Provision of contracted services for the City of Wayzata is budgeted to continue in 2017, and fees charged for the service cover their actual costs.
- The rising number of restaurants above is attributable to the Ridgedale area and other redevelopment.
- The department is investing in an on-line program to assist licensed facilities with public health education. The cost is \$10,000 for the first year and \$5,000 annually after the initial payment.

ENGINEERING DEPARTMENT

Expenditures by Category	2014 Actual	2015 Actual	2016 Budget	2016 Revised	2017 Budget
Personnel	\$ 1,003,137	\$ 1,048,850	\$ 1,066,300	\$ 1,066,300	\$ 1,120,500
Supplies	11,703	22,583	13,300	13,700	17,300
Other Services & Charges	48,444	84,485	110,100	69,200	101,000
Capital Outlay	-	-	-	-	-
Totals	\$ 1,063,284	\$ 1,155,918	\$ 1,189,700	\$ 1,149,200	\$ 1,238,800

Method of Financing

General Fund	\$ 1,063,284	\$ 1,155,918	\$ 1,189,700	\$ 1,149,200	\$ 1,238,800
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Number of Employees (FTEs)	9.75	9.25	9.25	9.25	9.50
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Description of Services:

The Engineering Department manages and oversees most of the city's major capital construction projects, including all streets and many public facilities. The department's specific services include surveying, design, and construction administration and inspection. The department regularly coordinates its activities with other departments, other agencies and responds to general public inquiries, which include storm drainage problems and traffic complaints.

Key Measures:	2014 Actual	2015 Actual	2016 Estimated	2017 Projected
Neighborhood meetings held	5	6	6	5
Project newsletters mailed/emailed	2,740 / 99	7,800/150	3,500 / 20,000	3,000/15,000
Property acquisitions for construction projects	9	10	14	10
Construction projects underway	11	9	9	7
Construction projects completed	8	5	7	3
Customer service surveys sent out/received	394 / 104	0* / 0*	175 / 70	325/150
Responding customers satisfied with project (rated as "average" or greater)	64%	NA*	80%	80%
Road bridge inspections	18	0	18	0

* 2015 customer service surveys will be sent following full completion of projects in 2016.

Budget Comments/Issues:

The 2017 budget for the Engineering Department provides funding for one additional project engineer to appropriately staff professional needs for increased and ongoing intense projects that are highly impactful to city residents. Costs for the city's water resources coordinator funded within this budget are shifted to the Storm Water Fund beginning 2017.

- The additional project engineer in 2017 will assist with project development and construction management. The new position will allow the department to handle the growing demands for communication with residents as well as upcoming projects associated with full utility infrastructure replacement, trail improvements, construction management of light rail and development associated with area growth.

- In 2017, the department will continue with an on-going program to survey sections of the city for speed compliance. The results will assist the Police Department with its enhanced traffic enforcement program. Speed counts are taken based on requests from the Police Department and concerned residents.

- In 2016, the department began to use texting, email, and new GovDelivery system as another communication tool for the street reconstruction program. Hundreds of texts and emails have been and will be sent out to the project keeping residents informed of daily activities. New methods of communication will continue to be explored for future projects to continue to improve service.

- In 2015, 7,800 newsletters were sent to residents and businesses along a number of projects including the County Road 101 reconstruction, Opus Area Bridges, County Road 101 reconstruction north of Minnetonka Blvd., and reconstruction and mill and overlay project areas.

- The city performs bridge inspections for all road bridges and large culverts every two years. The Rowland Road railroad bridge gets inspected every year.

STREET IMPROVEMENT FUND - Engineering Department

Revenues	2014 Actual	2015 Actual	2016 Budget	2016 Revised	2017 Budget
Ad Valorem Tax Levy	\$ 6,000,000	\$ 6,000,000	\$ 6,100,000	\$ 6,100,000	\$ 6,200,000
Investment Income	39,764	10,238	10,000	30,000	10,000
Other Local Grants	1,606,100	-	-	-	-
Cost-Share Reimbursements	-	410,168	-	-	-
R.O.W. Permit Fees	34,285	13,010	30,000	30,000	30,000
Miscellaneous Revenue	21,942	12,183	10,000	-	565,000
Transfers In	22,731	185,498	-	375,000	-
Totals	\$ 7,724,822	\$ 6,631,097	\$ 6,150,000	\$ 6,535,000	\$ 6,805,000
Expenditures					
Local Street Rehabilitation	\$ 2,570,530	\$ 2,805,493	\$ 4,000,000	\$ 3,800,000	\$ 3,600,000
Local Street Preservation	1,274,094	1,581,082	1,560,000	1,300,000	1,615,000
Woodland Road Retaining Wall	-	-	4,000	4,000	4,200
Co. Rd 101 (CR62 to CR3)	272,042	1,671,130	-	-	-
Co. Rd 101 (CR5 to TH12)	-	50,000	-	-	-
Co. Rd 101 Landscaping	-	7,861	-	-	-
Williston Rd/Lake St Ext	575,039	-	-	-	-
I-394 Ridgedale Ramp	2,075,284	-	-	-	-
Shady Oak Road	4,361	17,129	-	100,000	-
Shady Oak Area LRT	-	25,560	-	-	500,000
Williston Parking Lot Expansion	-	10,020	-	-	-
Opus Area Improvements	20,219	593,488	1,000,000	125,000	2,000,000
Pavement Management Study	18,758	10,831	43,000	43,000	42,000
Cartway/Ridgedale/Plymouth Rd	-	-	340,000	340,000	400,000
Transfer to MSA Fund	238,852	-	-	-	-
Totals	\$ 7,049,179	\$ 6,772,594	\$ 6,947,000	\$ 5,712,000	\$ 8,161,200
Surplus (Deficiency) of Revenues over (under) Expenditures	675,643	(141,497)	(797,000)	823,000	(1,356,200)
Reserve for Delayed Projects	-	-	-	234,000	-
Beginning Fund Balance	3,343,596	4,019,239	3,877,742	3,877,742	4,466,742
Ending Available Fund Balance	\$ 4,019,239	\$ 3,877,742	\$ 3,080,742	\$ 4,466,742	\$ 3,110,542

Description of Services:

The Street Improvement Fund was created to finance capital projects for the ongoing maintenance and reconstruction of local city streets. Local city streets are defined as those streets not falling into the category of State Aid, county, or state roadways and, therefore, are relegated to the lowest priority for support from state and county funds. Revenue to the fund is derived primarily by property tax levy proceeds.

The city's current Pavement Management Program requires that each city street be tested and rated once every four years. Staff analyzes the test results annually using a pavement management computer program to determine the most effective and efficient method to maintain the integrity of the road infrastructure within budget constraints. Road quality, as measured by the pavement condition index, can vary depending upon environmental conditions including load and weather as well as the categories of maintenance performed by city crews.

Key Measures:	2014 Actual	2015 Actual	2016 Estimate	2017 Projected
Miles of streets reconstructed	5.5	4	5.2	1
Miles of streets thin overlay	11.1	9.6	4.8	12.7
Miles of streets rated for condition (varies by quadrant)	80	80	80	80
Average pavement condition index (Goal=80)	83	83	83	84

Budget Comments/Issues:

The 2017 budget for the Street Improvement Fund as provided in the Capital Improvement Program (CIP) will continue the city's road rehabilitation and preservation programs.

- Consistent with the city's capital improvements policy, the fund balance for the Street Improvement Fund is managed over a five-year horizon, and some years have higher costs while others have lower costs.
- On November 10, 2014 and April 20, 2015, the city council amended the 2015 CIP to include additional funds needed for the County Road 101 and 2015 local street reconstruction.
- Reserve for Delayed Projects in 2016 are final costs for various projects including Sparrow Road reconstruction.
- The Local Street Preservation Program includes patching, sealing, plus thin overlays and reconstruction projects.
- Because costs for the Woodland Road retaining wall exceeded the originally approved budget, council approved an amendment to the CIP to fund a portion with the 2011 local street rehabilitation allotment in June 2011. The city-owned property is currently under lease and rental income offsets its property taxes. Proceeds from any sale of the property in the upcoming years will be returned to the Street Improvement Fund to refund the city for the costs of the retaining wall project.

MUNICIPAL STATE AID FUND - Engineering Department

Revenues	2014 Actual	2015 Actual	2016 Budget	2016 Revised	2017 Budget
State Allotment	\$ 2,037,386	\$ 2,165,859	\$ 2,178,700	\$ 2,178,700	\$ 2,178,700
State Grants	116,034	-	-	-	-
Transfer from Other Funds	238,852	-	-	-	-
Interest	(7,772)	449	-	(6,000)	-
Totals	\$ 2,384,500	\$ 2,166,308	\$ 2,178,700	\$ 2,172,700	\$ 2,178,700
Expenditures					
Bond Debt Service	\$ 183,394	\$ 178,369	\$ 174,664	\$ 174,664	\$ 169,463
Projects:					
Cartway/Ridgehaven	-	76,700	2,000,000	1,923,300	-
Plymouth Rd	-	-	-	-	1,500,000
Williston Rd (CSAH 5 to 300' S)	22,731	-	-	-	-
County Rd 101 (CR62 to C 3)	-	1,550,900	-	-	-
County Rd 101 (CR5 to TH12)	-	301,188	-	-	-
Shady Oak Trail - North of TH 62	-	4,427	-	-	-
Shady Oak Rd (TH 7 to Excelsior)	54,059	129,907	-	-	-
I-394 W On-Ramp Ridgedale Drive	4,382,085	53,820	-	-	-
Opus Area LRT	-	-	-	-	1,000,000
Totals	\$ 4,642,269	\$ 2,295,311	\$ 2,174,664	\$ 2,097,964	\$ 2,669,463
Surplus (Deficiency) of Revenues over (under) Expenditures	(2,257,769)	(129,003)	4,036	74,736	(490,763)
Reserve for Delayed Projects	-	-	-	318,031	-
Beginning Available Allotment Balance	2,109,302	(148,467)	(277,470)	(277,470)	(202,734)
Remaining Available Allotment	\$ (148,467)	\$ (277,470)	\$ (273,434)	\$ (202,734)	\$ (693,497)

Mission Statement:

The Municipal State Aid (MSA) Fund accounts for state revenues and related expenses for the construction and maintenance of county state aid road and MSA street systems in Minnetonka. The state generates these funds from two major highway user taxes -- the gasoline tax and the motor vehicle registration fees. The state then divides the great majority of these tax revenues between the state (62%), counties (29%), and municipalities with populations over 5,000 (9%). The part allocated to the cities is then apportioned amongst those municipalities, 50% based upon need, as determined by estimated construction and maintenance costs over a 25-year period, and 50% based upon census population data.

Key Measures:	2014 Actual	2015 Actual	2016 Estimated	2017 Projected
Construction projects underway	4	3	3	3
Construction projects completed	1	0	1	2

Budget Comments/Issues:

Per the adopted 2017-21 Capital Improvements Program (CIP), the MSA Fund will finance significant improvements to Ridgeway Lane within the Ridgedale development area and 17th Avenue Extension in conjunction with the SWLRT at Shady Oak Station. Additional monies are allocated in the CIP to the same area in 2017 for Plymouth Road (\$1.5 million) and in 2019 for Ridgedale Drive improvements (\$5 million).

- The 2015 budget for MSA funding included costs for the I-394 westbound on-ramp at Ridgedale Drive, as adopted in the amended CIP. Expenditures identified above in 2012 through 2014 reflect more accurate estimates of actual timing and the addition of \$1.6 million in state grant funding. The remaining funds necessary for the project were from the city's state aid construction allotments and a minor amount from the city's Storm Water Fund.

- Reserve for Delayed Projects includes: final costs for Shady Oak (TH 7 to Excelsior) and CR101 (Mtkka Blvd to CR12).

- In 2008, the city issued State-Aid Street bonds to fund a portion of the first half of the costs for the Shady Oak (Bren-Excelsior) project. The debt service for these bonds will be financed over 15 years ending 2024 with the city's MSA allotment.

STORM WATER FUND - Engineering Department

Revenues	2014 Actual	2015 Actual	2016 Budget	2016 Revised	2017 Budget
Storm Water Utility Charges	\$ 2,297,298	\$ 2,370,289	\$ 2,453,400	\$ 2,453,400	\$ 2,530,000
Intergovernmental	64,600	-	-	-	-
Investment Income	31,358	28,279	10,000	13,000	13,000
Totals	\$ 2,393,256	\$ 2,398,568	\$ 2,463,400	\$ 2,466,400	\$ 2,543,000
Expenditures by Category					
Personnel	\$ 61,673	\$ 44,998	\$ 79,400	\$ 79,400	\$ 198,100
Supplies	149,293	107,917	147,900	127,900	148,600
Other Services & Charges	322,300	260,023	510,500	411,000	513,000
Capital Outlay	1,145,360	1,705,237	3,590,000	3,320,000	1,502,600
Transfers to Other Funds	163,700	166,400	169,200	169,200	168,000
Totals	\$ 1,842,326	\$ 2,284,575	\$ 4,497,000	\$ 4,107,500	\$ 2,530,300
Reserve for Previous Years Projects				325,000	
Surplus (Deficiency) of Revenues over Expenditures	\$ 550,930	\$ 113,993	\$ (2,033,600)	\$ (1,966,100)	\$ 12,700
Number of Employees (FTEs)	0.5	0.5	0.5	0.5	1.5

Description of Services

The Storm Water Utility Fund was created in 2003 to finance capital projects and associated operational costs designed to provide flood protection and to protect and improve the quality of the city's water resources. Such projects must be compatible with the city's Water Resources Management Plan. Revenues to the fund are provided through monthly fees to property owners that are based upon parcel acreage, land use and related water runoff, and capital project needs.

Key Measures:	2014 Actual	2015 Actual	2016 Estimated	2017 Projected
Water quality samples taken	6	6	5	6
Storm sewer projects completed	5	4	8	5
Sump catch basins inspected	387	378	300	300
Storm sewer outfalls inspected	0	0	0	20
Drainage ponds inspected	111	45	40	60
Drainage ponds restored	4	1	1	3
Misc. drainage projects completed	30	46	20	30

Budget Comments/Issues:

Consistent with the prior three years, the 2017 budget for the Storm Water Fund includes a three percent fee increase to cover funding pressures related to accelerated street reconstruction projects, unfunded mandates, and inflationary costs. Previously supported by the engineering department General Fund budget, costs for the water resources coordinator position will be supported by the Storm Water fund beginning 2017.

- As adopted within the Capital Improvements Program (CIP) budget, Storm Water Fund expenditures in 2016 included planned construction of expensive storm sewer systems in the Libb's Lake neighborhood area, which is supported by balances in the fund.
- Other Services & Charges budgeted above in 2015 and 2016 included ongoing costs for water quality testing (\$40,000 per year), pond maintenance (\$50,000 per year) and watershed modeling (\$110,000). 2015 also included miscellaneous drainage repairs (\$115,000), which was previously reflected as a capital project within the CIP budget.
- The Intergovernmental revenues in 2014 above is a state grant from the Board of Water and Soil Resources Clean Water Fund, which was awarded to the city to accelerate an assessment of pollutant sources to local lakes and identification of potential projects to reduce these pollutants and improve lake water quality.
- The partial full-time equivalent (FTE) employee is a portion of the salary for the assistant city engineer, which reflects an allocation of the position's workload associated with storm water related projects.
- Project scheduling coincides with county, state, and other city projects including residential street reconstruction. High priority projects in the city's Water Resources Management Plan are scheduled as budget limits allow.
- The inspections of sump catch basins, outfalls and ponds are federally mandated to the city's National Pollution Discharge Elimination System (NPDES) permit. All inspections are performed by public works staff and engineering interns, and include inspecting all sump catch basins every year and 20 percent of the outfalls and ponds. Inspections per year will vary somewhat reflecting staff's attempts to efficiently use inspection staff.

ELECTRIC FRANCHISE FEES SPECIAL REVENUE FUND - Engineering Department

Revenues	2014 Actual	2015 Actual	2016 Budget	2016 Revised	2017 Budget
Electric Franchise Fees	\$ 813,833	\$ 816,318	\$ 813,000	\$ 823,000	\$ 823,000
County Cost-Share Agreements	-	-	964,500	-	964,500
Other Cost-Share Agreements	-	-	267,500	-	267,500
Investment Income	29,523	20,012	15,000	12,000	15,000
Totals	\$ 843,356	\$ 836,330	\$ 2,060,000	\$ 835,000	\$ 2,070,000
Expenditures by Category					
Overhead Utility Burial	\$ 1,039,771	\$ 720,984	\$ 500,000	\$ 500,000	\$ 410,000
Energy Saving Street Light Retrofits	-	-	250,000	250,000	250,000
Cartway Lane/Ridgehaven/Plymouth Rd	-	-	500,000	500,000	1,400,000
Transfer to Other Funds	-	-	-	-	-
Misc. Street Light Installation	5,000	208,668	160,000	50,000	200,000
Totals	\$ 1,044,771	\$ 929,652	\$ 1,410,000	\$ 1,300,000	\$ 2,260,000
Surplus/(Deficiency) of Revenues over/(under) Expenditure	(201,415)	(93,322)	650,000	(465,000)	(190,000)
Reserve for Delayed Projects	-	-	-	138,000	-
Beginning Fund Balance	\$ 2,816,774	\$ 2,615,359	\$ 2,522,037	\$ 2,522,037	\$ 1,919,037
Ending Fund Balance	\$ 2,615,359	\$ 2,522,037	\$ 3,172,037	\$ 1,919,037	\$ 1,729,037

Description of Services:

The 2003 City of Minnetonka Community Survey indicated that the residents of the city supported the burial of overhead utility lines on major streets. In 2005, the city adopted a franchise fee ordinance under which the city charges Xcel Energy a monthly fee per customer to support the project. Under the franchise agreement with Xcel, the total revenue collected may not exceed two percent of total annual adjusted gross revenues that the company receives from the sale of delivery or delivery of electric energy in Minnetonka. Fee revenue and costs associated with the project are financed through the Electric Franchise Fees Special Revenue Fund. The schedule for burying lines is developed and frequently updated to coincide with plans for upgrading major roads within the city. Generally, Xcel Energy collects the fees monthly and submits the revenues to the city on a quarterly basis. The company then buries the lines for the city under contract and bills the city for these services.

Key Measures:	2014 Actual	2015 Actual	2016 Estimated	2017 Projected
Miles of utility line buried	1.4	1.4	1.3	0.5
LED Street Lighting - new & retrofits	10	14	120	10

Budget Comments/Issues:

The 2017 budget as adopted in the Capital Improvements Program (CIP) includes funding for burial of overhead utilities in the Minnehaha Creek Corridor on Shady Oak Road, energy savings retrofits of street lights associated with various street projects, decorative light installations needed for the CR101 (CR5 to CR12) road project, and street lighting needs as well as burials along Ridgehaven Lane in the Ridgedale area.

- Beginning in 2008, the budget for the Electric Franchise Fee Fund included a \$0.50 per month fee increase to offset the escalating costs in materials used for burial projects and to balance the fund over a five-year horizon. There were no increases in 2009 through 2016, and none are proposed for 2017.

- The 2015 budget amended the 2015-19 CIP to increase funding for street light installations on the north CR 101 and Shady Oak Road projects. The 2015 budget for burial of utility lines is associated with the CR 101 (CR 62 to Hutchins Drive) road reconstruction project and includes \$300,000 for decorative lights in the same project.

- The 2014 budget for the Electric Franchise Fee Fund financed the burial of overhead utility lines along CR 101 from Minnetonka Boulevard to the Grays Bay bridge, and on Shady Oak Road from Excelsior Boulevard to TH 7. Revenues originally budgeted in 2015 and now in 2016 reflect cost-share for these two projects with the City of Hopkins and for these projects and CR 101 (CR 5 to Hwy 12) with Hennepin County.

- Reserve for Delayed Projects are costs associated with the County Road 101 (CR 62 - CR 3).

- New energy LED decorative street lighting and retrofits are reviewed in conjunction with county and city street reconstruction projects, redevelopment interests and individual lighting projects, to provide long term energy savings and efficiencies. Current LED street light installations in progress or programmed for installation include the reconstruction on Shady Oak Road from Excelsior Boulevard to TH 7, CR 101 north of Minnetonka to the city of Wayzata, CR 101 from TH 7 south to CR 62, and the Ridgedale Area.

- Underground burial may be used to assist in trails planning and financial efficiencies for construction of projects, including Plymouth Road, from Hilloway Road to Minnetonka Boulevard.

SHADY OAK ROAD/OAK DRIVE LANE IMPROVEMENT FUND - Community Development

Revenues	2014 Actual	2015 Actual	2016 Budget	2016 Revised	2017 Budget
Hennepin County	\$ -	\$ 950,000	\$ -	\$ -	\$ -
State, County Grants	-	150,000	-	-	-
MSA, Transfer In	-	-	-	-	650,000
SACF Interfund Loan, Transfer In	1,600,000	-	-	-	-
Lease Revenue	-	85,478	45,000	35,000	20,000
Interest on Investments	(4,798)	9,382	-	4,700	1,000
Totals	\$ 1,595,202	\$ 1,194,860	\$ 45,000	\$ 39,700	\$ 671,000
Expenditures by Category					
Project Costs	\$ 2,024,580	\$ 23,847	\$ -	\$ -	\$ 1,357,901
Temporary Facility Operating Costs	-	40,997	100,000	33,437	20,000
Totals	\$ 2,024,580	\$ 64,844	\$ 100,000	\$ 33,437	\$ 1,377,901
Surplus (Deficiency) of Revenues over Expenditures	(429,378)	1,130,016	(55,000)	6,263	(706,901)
<i>Beginning Fund Balance</i>	-	(429,378)	700,638	700,638	706,901
<i>Ending Fund Balance</i>	<u>\$ (429,378)</u>	<u>\$ 700,638</u>	<u>\$ 645,638</u>	<u>\$ 706,901</u>	<u>\$ -</u>

Description of Services:

The Shady Oak Road/Oak Drive Lane Improvement Fund was created in 2014 to pay for the purchase and improvements of two parcels within the city associated with the Shady Oak Road (State Highway 7 to Excelsior) road reconstruction project. The fund is financed with various sources including a Hennepin County partnership, grants, the city's Municipal State Aid (MSA) allotment, and interfund loan proceeds from the city Special Assessment Construction Fund (SACF). Repayment of the interfund loan will ultimately be supported by funds from the sale of the properties back to the private sector.

Key Measures:

Increase in taxable market value

2014 Actual	2015 Actual	2016 Estimated	2017 Projected
NA	NA	0	0

Budget Comments/Issues:

Road reconstruction related to this fund began in earnest in early 2014 and will be completed in late 2016 with final landscaping in 2017. However, redevelopment of the property will take time. The city has retained the commercial building on one of the properties for an intermediate period of time, during which city staff has conducted a neighborhood engagement process for determining final development of the combined sites. It is anticipated the sites may be sold and redeveloped as early as 2017.

- Until the properties are sold and proceeds are realized, the inter-fund loan will be amortized over a ten-year period at an interest rate of four percent to be paid from the city Development Fund. This payment will be partially offset by the revenue from leasing the building. Upon sale, proceeds are to be allocated first to any costs of sale and second to the repayment of any remaining balance on the inter-fund loan. If there are excess proceeds after repayment of the loan, they are to be deposited into the Development Fund.

- The 2015 budget included a line item for a transfer from the SACF. This fund transfer actually occurred in 2014, not 2015. The 2015 revised budget removed the \$170,500 loan repayment previously approved to be paid to the SACF, which instead will be transferred directly from the Development fund.

- In addition to likely increased property tax value for the community, benefits of the project also include visually enhanced aesthetics, improvements to site functionality, and more coordinated storm water ponding areas for both the road and the properties' redevelopment. Value is expected to increase in 2018.

STREET MAINTENANCE DIVISION - Public Works Department

Expenditures by Category	2014 Actual	2015 Actual	2016 Budget	2016 Revised	2017 Budget
Personnel	\$ 1,663,281	\$ 1,711,103	\$ 1,875,000	\$ 1,875,000	\$ 1,952,600
Supplies	530,971	350,766	443,500	445,500	454,000
Other Services & Charges	1,222,200	1,119,800	1,154,100	1,152,100	1,198,200
Capital Outlay	-	-	-	-	-
Totals	\$ 3,416,452	\$ 3,181,669	\$ 3,472,600	\$ 3,472,600	\$ 3,604,800

Method of Financing

General Fund	\$ 3,416,452	\$ 3,181,669	\$ 3,472,600	\$ 3,472,600	\$ 3,604,800
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Number of Employees (FTEs)	21.09	21.09	21.10	21.10	21.10
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Description of Services:

The Street Maintenance Division of the Public Works Department is responsible for maintenance of 254 centerline miles of municipal right-of-way including pavement maintenance, snow and ice control, drainage, pavement markings, street signs, intersection semaphores, street lighting, roadside mowing and tree trimming. Climatic conditions dramatically affect seasonal maintenance expenditures on a year-to-year basis along with energy pricing that affects fuel, supplies

Key Measures:	2014 Actual	2015 Actual	2016 Estimated	2017 Projected
Full-scale plowing events required	8	5	10	8
Tons of salt used	3,200	1,500	3,000	2,000
Tons of bituminous mix laid	13,795	10,750	6,000	12,500
Miles of maintenance overlays	3.1	4.9	2.4	5.7
Signs installed	904	940	930	930
Miles of neighborhood refurbishment	2.9	2.0	2.5	2.6
Maintained streetscape area (sq. yds.)	8,947	8,800	13,580	14,500

Budget Comments/Issues:

The 2017 budget maintains current service levels. Additional resources for contracted streetscape maintenance added to the budget in the past two years have provided for better and more timely maintenance of reconstructed roads with new streetscape plantings. There are currently seven areas with streetscape maintenance contracts including, CR 5/CR 101, Glen Lake Station, and parts of the city hall campus. Completion of north and south CR 101 will add two additional areas beginning in 2017.

- This division is responsible for the neighborhood street pavement preservation program. The program uses a variety of enhanced pavement maintenance technologies to preserve streets after initial construction or thin overlay in order to extend their asset life and serviceability. Personnel costs for the program are budgeted above, and a majority of materials are funded through the Capital Improvement Program (CIP) and by the Street Improvement Fund.
- The division is responsible for storm water drainage maintenance to assure compliance with National Pollution Discharge Elimination System (NPDES) permit requirements. Projects are coordinated with the Water Resources Engineer and Natural Resources Coordinator. In 2017, illicit point-source discharge by businesses and educational training of city personnel will be the points of emphasis.
- Street maintenance staff use liquid salt brine for winter snow and ice control, which increases salt effectiveness, reduces the total amount of salt used on roadways, and minimizes chloride-ion in storm water to address environmental issues. The city manufactures the brine and sells it to Hennepin County and other neighboring cities and school districts to help offset costs and assist the city's partners.
- All of the city's snowplow trucks are now outfitted with digital salt controllers that allow drivers to precisely control the amount of salt that is applied per lane mile and accounts for the total amount of salt that is used for each plowing or sanding event.
- The operating budget for the division is highly impacted by climatic variations and energy pricing which affects the cost and amount of fuel, street lighting, road maintenance/construction supplies and machine repair parts used.
- The decrease in "Tons of Bituminous Mix Laid" and "Miles of Maintenance Overlays" in 2016 reflects the budgetary adjustment that was made to the street program for the Libbs Lake area reconstruction project.

BUILDING MAINTENANCE DIVISION - Public Works Department

Expenditures by Category	2014 Actual	2015 Actual	2016 Budget	2016 Revised	2017 Budget
Personnel	\$ 503,840	\$ 579,176	\$ 754,500	\$ 754,500	\$ 788,000
Supplies	117,715	113,685	103,000	110,000	114,700
Other Services & Charges	402,697	376,471	382,900	375,900	381,400
Capital Outlay	-	-	-	-	-
Totals	\$ 1,024,252	\$ 1,069,332	\$ 1,240,400	\$ 1,240,400	\$ 1,284,100

Method of Financing

General Fund	\$ 1,024,252	\$ 1,069,332	\$ 1,240,400	\$ 1,240,400	\$ 1,284,100
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Number of Employees (FTEs)	7.37	8.37	8.38	8.38	8.38
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Description of Services:

The Building Maintenance Division of the Public Works Department is responsible for the maintenance and repair of the city's 14 community buildings and their component systems such as heating, ventilation, air conditioning, electrical, plumbing and mechanical. The division oversees all capital building improvement projects related to the assets as adopted in the city's Capital Improvements Program (CIP), which are primarily budgeted in the Capital Replacement Fund. It also supports the city's enterprise fund facilities such as the ice arenas, Williston Center and water treatment

Key Measures:	2014 <u>Actual</u>	2015 <u>Actual</u>	2016 <u>Estimated</u>	2017 <u>Projected</u>
Work orders completed	2,675	2,697	2,750	2,700
Heat energy - cost	\$104,798	\$65,816	\$104,200	\$105,000
Heat energy used (THM)	132,032	106,224	110,000	110,000
Electrical energy - cost	\$134,010	\$125,431	\$136,500	\$136,500
Electrical energy used (kWh)	1,562,129	1,378,230	1,400,000	1,400,000

Budget Comments/Issues:

The 2017 budget for the Building Maintenance Division reflects greater oversight by the Facilities Manager in maintenance tasks and planning for the long-range capital improvement needs. Increased investment in energy saving projects will continue with the conversion of fluorescent lighting to light emitting diodes (LED)s. With the first of the city's contract solar garden developers approved by Xcel Energy and constructed in 2016, 2017 will be the first year that resulting energy credits will decrease the city's electrical energy costs. Additional savings are expected after 2017.

- In 2016, a space planning study for public safety including both fire and police was undertaken. Results of those efforts will be presented to the city council in early 2017.
- Energy expense continues to be a budget consideration for 2017. A variety of energy conservation measures have and will continue to be implemented to minimize the budget impact of increasing energy costs. Currently Xcel Energy has an interim rate increase in place of 6.4% and a 1.7% increase is scheduled for 2017. These increases total 9.8% for this three-year period. In 2017, \$50,000 of investment in energy conservation measures are programmed in the Capital Replacement Fund for the installation of LED lighting in the ice arenas.
- Phased replacement of the computerized building environmental control systems will continue in 2017. This improvement allows for remote observation and control of the various heating, ventilating and air conditioning systems as well as other systems associated with the buildings such as generators and lighting. In 2017 the phased project will continue in city hall, police station and the Williston Center.
- Variability in energy costs are due to the fluctuation of winter and summer climatic conditions. Colder than normal winter temperatures affect natural gas usage while warmer than normal summers affects electrical consumption.

FLEET MAINTENANCE FUND - Public Works Department

Revenues	2014 Actual	2015 Actual	2016 Budget	2016 Revised	2017 Budget
Charges for Services	\$ 1,884,853	\$ 1,525,453	\$ 1,627,500	\$ 1,626,200	\$ 1,665,200
Investment Income	4,159	4,239	3,000	2,000	2,000
Miscellaneous	3,312	5,546	4,500	10,300	5,000
Fuel	68,316	43,148	50,000	40,000	45,000
Transfers In	-	-	-	-	-
Totals	1,960,640	1,578,386	1,685,000	1,678,500	1,717,200
Expenditures by Category					
Personnel	\$ 402,182	\$ 416,819	\$ 434,300	\$ 434,300	\$ 457,900
Supplies	962,101	841,509	825,400	825,400	840,800
Other Services & Charges	436,538	261,783	367,800	366,500	366,500
Capital Outlay	-	-	-	-	-
Totals	\$ 1,800,821	\$ 1,520,111	\$ 1,627,500	\$ 1,626,200	\$ 1,665,200
Surplus (Deficiency) of Revenues over Expenditures	159,819	58,275	57,500	52,300	52,000
<i>Beginning Fund Balance</i>	<i>263,756</i>	<i>423,575</i>	<i>481,850</i>	<i>481,850</i>	<i>534,150</i>
<i>Ending Fund Balance</i>	<i>\$ 423,575</i>	<i>\$ 481,850</i>	<i>\$ 539,350</i>	<i>\$ 534,150</i>	<i>\$ 586,150</i>
Number of Employees (FTEs)	4.37	4.37	4.38	4.38	4.38

Description of Services:

The Fleet Maintenance Division is responsible for the procurement, maintenance, repair and fueling of the city's motorized fleet and support equipment. The fleet consists of 185 mobile vehicles and a similar number of heavy and light support equipment. The costs of the division are allocated and billed to individual city departments with a break-even operating pro forma. The Fleet Maintenance Fund operates as an internal service revolving fund.

Key Measures:	2014 Actual	2015 Actual	2016 Estimated	2017 Projected
Work orders completed	2,459	3,521	3,500	3,500
Gallons of fuel consumed	162,466	154,459	160,550	160,000
Cost to purchase gas/diesel fuels	\$568,156	\$478,114	\$421,300	\$435,000
Average cost per gallon of gas/diesel fuels	\$3.50	\$3.10	\$2.64	\$2.73
Gallons of oil consumed	827	684	750	750

Budget Comments/Issues:

The 2017 budget for the Fleet Maintenance Fund maintains current service levels, but reflects a small increase in fuel costs and increased costs for repair parts and outside repairs. The budget incorporates expenses for the general maintenance and repair of the city's fleet including fire apparatus. Specialized repairs and testing are generally completed by outside vendors and suppliers for efficiency reasons.

- In order to contain operating expenses, fleet services takes a number of actions: extending oil change intervals in gasoline engines by utilizing scheduled oil sampling and testing; purchasing diesel fuel that contains 10% vegetable oil (B-10) and gasoline that contains 10% percent ethanol and regularly analyzing the feasibility of emerging technologies such as hybrids, compressed natural gas, propane and hydrogen fuel cells as motor fuels.

- In 2017, oil change intervals in engines will be re-evaluated in order to determine if intervals can be extended and whether the purchase of a different oil type will result in decreased maintenance costs of vehicles.

- Greater efficiency in shop repairs and maintenance has been realized by utilizing the full-time welder for small repairs and scheduled maintenance when there is availability due to openings in the welding schedule.

- Fuels are purchased through the State's Cooperative Purchasing Venture. This program establishes a stable price for motor fuel by combining the motor fuel needs of a number of governmental entities in the metropolitan area and bidding the collective volume of fuel for the year in order to get the lowest price.

CAPITAL REPLACEMENT FUND - Finance Department

Revenues	2014 Actual	2015 Actual	2016 Budget	2016 Revised	2017 Budget
Ad Valorem Tax Levy	\$ 860,000	\$ 1,035,000	\$ 1,666,000	\$ 1,666,000	\$ 1,730,000
Transfers In	775,000	800,000	230,000	230,000	355,000
Investment Income	6,139	1,403	3,500	2,000	2,500
Auction Proceeds/Rebates	88,969	68,531	80,000	45,000	45,000
Totals	\$ 1,730,108	\$ 1,904,934	\$ 1,979,500	\$ 1,943,000	\$ 2,132,500
Expenditures by Category					
Buildings & Structures	\$ 459,568	\$ 746,682	\$ 1,355,000	\$ 1,380,000	\$ 835,000
Recreation Facilities	-	28,085	29,000	29,000	29,000
Furniture and Equipment	-	-	-	-	-
Machinery and Auto	1,002,033	758,257	1,164,300	1,164,300	1,078,800
Transfers Out	-	-	-	-	-
Totals	\$ 1,461,602	\$ 1,533,024	\$ 2,548,300	\$ 2,573,300	\$ 1,942,800
Surplus (Deficiency) of Revenues over (under) Expenditures	268,506	371,910	(568,800)	(630,300)	189,700
Reserve for Delayed Projects				1,003,800	
Beginning Fund Balance	629,663	898,169	1,270,079	1,270,079	(364,021)
Ending Fund Balance	\$ 898,169	\$ 1,270,079	\$ 701,279	\$ (364,021)	\$ (174,321)

Description of Services:

The Capital Replacement Fund (CRF) was created in 1983 for the purpose of funding replacement or repair of major capital items that are expected to exceed \$5,000 in cost. The primary source of revenue for the fund is tax levy proceeds, but the fund also receives earnings from the auction of surplus city property as well as investment interest. Administrative policies provide for the replacement of general vehicles after eight years, marked police vehicles after 100,000 miles, heavy public works equipment and vehicles after 10-15 years, and fire equipment after 20-25 years with refurbishment after ten years.

Key Measures:	2014 Actual	2015 Actual	2016 Estimated	2017 Projected
General light-duty vehicles in fleet	101	102	102	103
Marked police vehicles in fleet	22	22	23	23
Heavy equipment and trucks in fleet	66	66	66	67
Deprec. value of buildings & structures (millions \$)	\$12.2	\$12.7	\$14.0	\$15.0
Deprec. value of furniture & equipment (millions \$)	\$6.2	\$6.5	\$7.0	\$7.2

Budget Comments/Issues:

Adoption of this budget amends the 2016 Capital Improvement Program (CIP) to appropriate an additional \$25,000 to accommodate the full cost at \$75,000 for the Public Safety Space Needs Study.

- Substantial purchases approved in the 2017 CIP for the fund include fleet vehicles (\$541,100), large public works equipment replacements (\$537,700), and building components (\$735,000) including Civic Center improvements, building automation infrastructure and roof replacements.

- The 2017 CIP includes \$100,000 for ongoing refurbishment of the city's fire stations. In 2015 and 2016, a variety of more significant improvements were undertaken at the satellite fire stations including the repair/replacement of the siding and roofs, a standby generator replacement and other interior/exterior refurbishment and replacements.

- The 2017 CRF budget includes a \$355,000 transfer in from the General Fund balance, which is adopted by council under the city's fund balance policy. The transfer is scheduled as part of the adopted five-year Capital Improvements Program (CIP) with additional transfers scheduled in 2018 through 2021. Like all capital funds, the CRF is managed over a five-year horizon, and the deficit ending balance in 2017 is part of the adopted CIP.

- The 2015 and 2016 appropriations for the CRF were revised and amended to provide unanticipated funding needed to remediate water and mold damage to Fire Station #3 (\$80,000) and additional costs for repairs to Fire #5 (\$125,000). \$560,000 in total project costs in 2016 for the Public Works Building Expansion includes \$350,000 from the CRF as reflected here and \$210,000 from the Forestry Fund as amended by the city council.

- Reserve for Delayed Projects includes \$444,000 for city building component projects, \$289,800 for completion of the Public Works Building expansion, \$261,400 for fleet vehicles and equipment, and \$8,600 for Lindbergh Center improvements.

UTILITY DIVISION / UTILITY FUND - Public Works Department

Revenues	2014 Actual	2015 Actual	2016 Budget	2016 Revised	2017 Budget
Water Sales & Sewer Revenue	\$ 9,936,550	\$ 10,704,198	\$ 12,192,798	\$ 12,050,000	\$ 13,697,500
Investment Income	120,615	43,851	90,500	63,000	55,000
Grants	35,757	-	-	-	-
Bond Proceeds	-	10,000,000	5,501,880	18,095,753	7,700,000
Federal disaster Aid	-	-	-	-	-
Hookup Fees	816,337	1,767,379	1,650,000	1,840,000	500,000
Met Council SAC Fees	597,841	1,764,350	500,000	1,540,000	500,000
Miscellaneous Income	127,129	131,432	202,000	202,000	280,000
Totals	\$ 11,634,229	\$ 24,411,210	\$ 20,137,178	\$ 33,790,753	\$ 22,732,500
Expenditures by Category					
Personnel	\$ 1,578,832	\$ 1,708,623	\$ 1,784,800	\$ 1,784,800	\$ 1,821,200
Supplies	697,767	840,014	791,300	826,300	828,100
Sewer Service Charge	3,891,515	3,940,345	4,041,700	4,041,700	4,211,500
Other Services & Charges	2,572,712	3,577,478	3,312,900	3,709,025	2,537,600
I & I Reduction Program	279,842	274,397	250,000	25,000	250,000
Capital Outlay	2,655,578	4,809,572	10,364,000	10,701,300	8,342,700
Bond Principal & Interest	1,054,213	1,084,863	1,100,800	11,149,300	1,100,200
Transfers to Other Funds	1,131,100	1,068,400	1,068,400	1,068,400	1,068,400
Totals	\$ 13,861,558	\$ 17,303,692	\$ 22,713,900	\$ 33,305,825	\$ 20,159,700
Surplus (Deficiency) of Revenues over Expenditures	\$ (2,227,329)	\$ 7,107,518	\$ (2,576,722)	\$ 484,928	\$ 2,572,800
Number of Employees (FTEs)	16.39	18.39	18.40	18.40	18.40

Description of Services:

The Utility Division of the Public Works Department operates and maintains the water and sanitary sewer systems of the city. This includes over 500 miles of water distribution and sewer collection piping, eighteen wells, eight water treatment facilities, ten water storage structures, 38 lift stations, 371 street lights and ten civil defense sirens.

Key Measures:	2014 <u>Actual</u>	2015 <u>Actual</u>	2016 <u>Estimated</u>	2017 <u>Projected</u>
Water pumped (million gallons)	2,202	1,840	2,100	2,700
Water main breaks repaired	87	66	80	80
Utility locate requests completed	10,202	13,289	11,000	11,000
Sewer cleaning (miles)	95	97	95	100
Sewer televising (miles)	40	0	30	50
Fire hydrants inspected	2,395	2,751	3,400	3,000

Budget Comments/Issues:

In 2014, a comprehensive utility system sustainability study was completed, and it focused on scheduled, long-term improvements needed over the next 20 years for water pumping, treatment, distribution and sewer collection to ensure that the water/sewer utility can meet the demands of the community well into the future. Costs of the improvement plan necessitates larger than normal utility rate adjustments in 2016 and 2017. In addition, improvement bonds were sold in 2016 to fund the first of a number of planned improvements to the systems.

- In 2017, it is anticipated that the Metropolitan Council Environmental Services (MCES) will issue new requirements affecting private property for the elimination of clear water in the sanitary sewer system. The city will continue its efforts to eliminate inflow and infiltration (I/I) in the public portion of the sanitary sewer system through projects scheduled in the five-year capital improvements program (CIP)..

- The city began a program for the annual maintenance of privately owned fire hydrants in 2016. It is estimated that there are approximately 500+ private hydrants that lack ongoing maintenance which impacts hydrant reliability. Elements of the new program were finalized in late 2015, and the Fire Department will focus on private hydrants that serve multi-family residential structures in 2017.

- In 2014, the city utility experienced two ruptures of the critical sewer forcemains (pressure pipes) that move a majority of the city's waste to MCES treatment facilities. After an emergency repair of the affected pipes was ordered by council, a \$5.7 million dollar multi-year improvement plan was developed as part of the 2014 sustainability study. In 2017, the fourth phase of the project will focus on directionally boring a new line from the Williston Lift to Guillian Field. When that is completed the current line will be lined in a similar fashion like what was done in the past three years.

- Rising energy prices and MCES waste water treatment costs will continue to increase the cost of operating the sanitary sewer collection system. MCES is predicting a 5.4 percent increase in wastewater processing costs.

PARKS & TRAILS DIVISION - Public Works Department

Expenditures by Category	2014 Actual	2015 Actual	2016 Budget	2016 Revised	2017 Budget
Personnel	\$ 955,964	\$ 922,299	\$ 1,014,100	\$ 1,014,100	\$ 1,072,400
Supplies	160,269	187,038	201,500	197,200	191,500
Other Services & Charges	482,297	437,734	445,600	449,900	476,400
Capital Outlay	-	-	-	-	-
Totals	\$ 1,598,530	\$ 1,547,071	\$ 1,661,200	\$ 1,661,200	\$ 1,740,300

Method of Financing

General Fund	\$ 1,598,530	\$ 1,547,071	\$ 1,661,200	\$ 1,661,200	\$ 1,740,300
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Number of Employees (FTEs)	9.97	9.97	10.08	10.08	10.08
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Description of Services:

The Parks and Trails Division of the Public Works Department is responsible for all park, trail & sidewalk maintenance, planning and development. This includes: park and open space turf areas, 11 athletic fields, 16 ice rinks, 104 miles of trails & sidewalks and 26 play structures at 50 parks. Future development decisions regarding parks and open space actively include the community users, Recreation Department staff, Minnetonka Park Board and City Council. The increase in trail and sidewalk mileage will require that equipment and personnel be continually evaluated for need.

Key Measures:	2014 Actual	2015 Actual	2016 Estimated	2017 Projected
Park acreage maintained	1,267	1,297	1,297	1,297
Level 1 - Maintenance Areas (# /acres)*	7 /429	7/429	7 /429	7/429
Level 2 - Maintenance Areas (# /acres)*	11 /211	11/211	11 /211	11/211
Levels 3 & 4 - Maintenance Areas (# /acres)*	31 /631	32/661	32 /661	32/661
Trails and sidewalks maintained (miles)	99	99	104	104

* Level 1 = High use, high maintenance; Level 2 = Moderate maintenance, some grooming 1x/week; Level 3 = Low to moderate maintenance; Level 4 = Minimal maintenance

Budget Comments/Issues:

The 2017 budget provides for an increasing level of service compared to 2016 to accommodate an expanding inventory of city park amenities and trails that require a higher level of maintenance. In 2015, the Anne Cullen Smith open space was added to the system, and the sidewalks associated with the Shady Oak Road and County Road 101 projects were added in 2016.

- Reconstruction of three segments of county roads will add approximately five miles of trails and sidewalks to the existing system by the fall of 2016. The added segments are located on Shady Oak Road from Highway 7 to Excelsior Boulevard, County Road 101 from Hutchins Drive to County Road 62, and County Road 101 from the Grays Bay Causeway to Minnetonka Boulevard.
- In 2017, lighting of the athletic fields on the civic center complex is scheduled in the Capital Improvements Program.
- Park improvements overseen by the division in 2016 and 2017 include renovation of the Community Center courtyard, spectator improvements at Big Willow baseball field, and irrigation improvements at the Burwell House, all of which are funded in the Capital Improvements Program.

NATURAL RESOURCES DIVISION - Public Works Department

Expenditures by Category	2014 Actual	2015 Actual	2016 Budget	2016 Revised	2017 Budget
Personnel	\$ 532,360	\$ 605,845	\$ 675,300	\$ 675,300	\$ 721,600
Supplies	6,071	12,071	18,200	18,200	19,200
Other Services & Charges	518,473	512,511	606,700	606,700	617,900
Capital Outlay	-	-	-	-	-
Totals	\$ 1,056,904	\$ 1,130,427	\$ 1,300,200	\$ 1,300,200	\$ 1,358,700

Method of Financing

General Fund	\$ 1,056,904	\$ 1,130,427	\$ 1,300,200	\$ 1,300,200	\$ 1,358,700
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Number of Employees (FTEs)	5.57	6.57	6.48	6.48	6.48
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Description of Services:

The Natural Resources Division manages the planning, development and stewardship of the community's natural resources. The division is responsible for forestry (diseased trees, reforestation), natural resource conservation (woodland, open space, wetlands, shore land), enforcement of natural resource ordinances (permit review, site inspection, compliance), stewardship (including ecosystem restoration) of 310 acres of public land and environmental education through seminars and resident consultations.

Key Measures:	2014 Actual	2015 Actual	2016 Estimated	2017 Projected
Diseased trees removed	742	645	760	700
Public trees planted (reforestation/restoration)	64/38	211/100	150/75	125/75
Private trees planted through city's tree sale	1,177	1,047	1,000	1,000
Permits inspected for natural resource compliance / ongoing inspections	310	312	325	325
Natural resource education programs conducted	24	25	25	25
Development projects reviewed	52	49	55	50
Volunteer programs conducted / hours donated	84/1952	71/2002	80/2000	80/2000
Enforcement actions taken	37	49	45	50

Budget Comments/Issues:

The 2017 budget for the Natural Resources Division anticipates increased activity due to the expansion of Emerald Ash Borer (EAB) in the metropolitan area. Currently the EAB has been found in Plymouth and it is likely the insect is now in Minnetonka. An action plan was put into effect in 2013 with the addition of an administrative staff person in 2014 and a Forestry Technician in 2015 in order to begin public education, reforestation and coordination of proactive ash tree protection measures for high valued public and private trees.

- Street tree trimming program will continue in 2017 at an annual cost of \$60,000. This work is necessary in order to keep pace with street reconstructions and neighborhood street renovations.

- In 2017, natural resources staff along with the Water Resources Coordinator will be continuing to implement new requirements for the new Municipal Separate Storm Sewer System (MS4) permit. This is a comprehensive update/revision to the city's federal storm water permit. Employee education and reduction of chloride use are initiatives for the coming year.

- In 2017, continued funding of \$30,000 for contract services has been included to assist with permit reviews, site and erosion control inspections for project developments.

FORESTRY FUND - Public Works Department

Revenues	2014 Actual	2015 Actual	2016 Budget	2016 Revised	2017 Budget
Ad Valorem Tax Levy	\$ 75,300	\$ 116,000	\$ 54,000	\$ 54,000	\$ 54,000
Investment Income	(420)	7,346	5,000	4,000	5,000
Miscellaneous Income	895,512	-	-	-	-
Totals	\$ 970,392	\$ 123,346	\$ 59,000	\$ 58,000	\$ 59,000
Expenditures by Program/Project					
EAB Program	\$ -	\$ 31,930	\$ 154,000	\$ 154,000	\$ 154,000
Natural Resources PW space	-	-	-	230,000	-
Totals	\$ -	\$ 31,930	\$ 154,000	\$ 384,000	\$ 154,000
Surplus (Deficiency) of Revenues over (under) Expenditures	970,392	91,416	(95,000)	(326,000)	(95,000)
Reserve for Delayed Projects				-	-
<i>Beginning Available Fund Balance</i>	-	970,392	1,061,808	1,061,808	735,808
<i>Ending Available Fund Balance</i>	\$ 970,392	\$ 1,061,808	\$ 966,808	\$ 735,808	\$ 640,808

Description of Services:

In 2017, the level of service will be the same as 2016. The Forestry Fund was established beginning 2014 to finance asset-related costs associated with the arrival of the Emerald Ash Borer (EAB) insect. The insect was first detected in the Twin Cities in 2009 and will eventually kill most if not all native ash trees and is now approximately two miles away from the city. Ash trees comprise about seven percent of all tree species in Minnesota, and inventories of the city suggest there are approximately 60,000 ash trees in the city limits, which includes those in private yard areas, public parks, out-lots and public rights-of-way.

Key Measures:	2014 Actual	2015 Actual	2016 Estimated	2017 Projected
Ash trees removed	34	253	150	100
Park trees replanted	59	166	70	100
Stumps ground	15	30	50	50
High value ash trees treated	0	84	85	84

Budget Comments/Issues:

Costs in the Forestry Fund reflect only the capital budget portion of the EAB program, which includes tree removal, stump grinding and reforestation. Adoption of this budget will amend the Capital Improvements Program for final costs (\$20,000) of the furnishings for forestry staff in the public works building expansion.

- The 2016 capital budget was amended to pay a portion of the costs for expansion of the city's public works building to accommodate the enlarged natural resources staff associated with the city's forestry stewardship.
- "Key Measure" numbers displayed above are projections based upon current experience with other diseased tree programs and early work with damaged and unhealthy ash trees. Only the highest priority, city-owned ash trees began biannual treatments in 2015.
- In 2015, a Forestry Technician was added to the Natural Resources Division staff in order to proactively assist with the treatment of ash trees located on public and private property. Staff costs are reflected within the General Fund and are part of the previously approved city Emerald Ash Borer (EAB) plan. Minimal start-up expenses were incurred in 2015, first full-year of the program, and numbers are increasing with implementation of the plan moving forward.
- The city has solicited a bulk rate for injection and has extended to residents that want to inject their elm and ash trees in order to protect them from Dutch Elm disease and EAB. In 2015, 433 ash and 72 elm trees were treated using this program.
- Park ash tree removal expenditures have been minimized by the use of labor provided by the Tree Trust program and the use of Inter-Community Work Crews (ICWC) that also assist in other public works divisions.
- In 2014, \$895,512 was received as a settlement for tree loss that was sustained in three parks as a result of the use of Imprelis, a broadleaf herbicide, used to control weeds. A portion of the settlement will be used for reforestation as soon as it is deemed "safe" to replant trees. The residual effects of the chemical are not well understood at this time so planting of new trees will be delayed.

ENVIRONMENTAL FUND - Public Works Department

Revenues	2014 Actual	2015 Actual	2016 Budget	2016 Revised	2017 Budget
Hennepin Recycling Grants	\$ 135,629	\$ 153,851	\$ 130,000	\$ 130,000	\$ 150,000
Recycling Charges	697,174	747,436	796,800	797,000	810,000
Miscellaneous Rev	-	9,283	-	-	-
Investment Income	9,642	6,843	2,000	3,000	3,500
Contract Rebate	48,029	5,731	45,000	-	-
Totals	\$ 890,474	\$ 923,144	\$ 973,800	\$ 930,000	\$ 963,500
Expenditures by Category					
Personnel	\$ 76,301	\$ 74,406	\$ 88,500	\$ 88,500	\$ 91,200
Supplies	3,041	1,178	3,200	6,700	3,200
Collection Contract	509,176	611,711	577,800	577,800	592,600
Yard waste Program	111,447	88,144	120,000	50,000	68,000
Other Services & Charges	11,254	9,837	21,800	14,600	13,300
Transfer To General Fund	183,200	186,900	190,600	190,600	192,500
Totals	\$ 894,419	\$ 972,176	\$ 1,001,900	\$ 928,200	\$ 960,800
Surplus (Deficiency) of Revenues over Expenditures	(3,945)	(49,032)	(28,100)	1,800	2,700
Beginning Fund Balance	658,363	654,418	605,386	605,386	607,186
Ending Fund Balance	\$ 654,418	\$ 605,386	\$ 577,286	\$ 607,186	\$ 609,886
Number of Employees (FTEs)	0.47	0.47	0.48	0.48	0.48

Description of Services:

The Environmental Fund was created to protect the natural environment of the community through the promotion of local environmental awareness, resource conservation and protection of environmentally sensitive areas. The fund pays for residential curbside recycling collection, a community recycling drop-off center, spring and fall leaf drop-offs, on-going and storm related brush drop-offs, and two special household material drop-offs in the summer and fall.

Key Measures:	2014 Actual	2015 Actual	2016 Estimated	2017 Projected
Curbside recycling picked up (tons)	4,900	4,975	4,900	4,900
Leaf recycling dropped off (cubic yards)	10,980	8,840	10,000	10,000
Special drop-off customers	1,355	950	1,200	1,400
Customers rating curbside services as "good" or "excellent"	96%	95%	96%	96%

Budget Comments/Issues:

Loss of commodity revenues for recycled materials, increases in the city's collection contract, and reduced recycling tonnages will require a rate increase in 2017 from \$4.00 per month to \$4.10 per month. Similar to the Utility Fund, regular, annual increases will be required to bring the fund into long term structural balance and financial sustainability.

- The 2017 budget reflects increases in recycling fees charged by the city's contract vendor, which will increase by at least two percent in three categories: 1) residential pickup, 2) recycled material processing and 3) drop-off processing.
- Rebates paid to the city from the sale of recyclables are no longer being received. The processing costs by Republic Services has eliminated any revenues that the city may have gotten from the sale of these commodities.
- In 2017, the city will continue to conduct two special drop off events for Minnetonka residents. This is a convenient opportunity to dispose of household items at a reasonable cost.
- Approximately one-third of trash is now composed of organic matter but less than two percent of households have organic collection services. In order to meet the 2030 state goal to recycle 75 percent of waste generated, Hennepin County will be assisting cities with SCORE grant monies to promote organics collection services. A grant of \$12,740 from Hennepin County last year resulted in the signing up of 168 new households for organics recycling. Those grant monies may not be available in 2017.
- The cost for contract grinding of brush and trees has been renegotiated with a savings of approximately \$50,000 for the service. The fee for hauling leaves is also being discussed for possible savings.

PARK & TRAIL IMPROVEMENT FUND - Administrative Services Department

Revenues	2014 Actual	2015 Actual	2016 Budget	2016 Revised	2017 Budget
Ad Valorem Tax Levy	\$ 560,000	\$ 560,000	\$ 560,000	\$ 560,000	\$ 560,000
Park Dedication Fees	25,000	851,672	870,000	1,270,000	70,000
Investment Income	6,508	7,985	5,000	9,000	7,500
Local Grants/Agreements	-	-	-	-	90,000
Transfers In, incl. field fees	9,588	9,485	9,600	9,600	394,600
Miscellaneous Income	1,954	22,396	200,000	-	200,000
Totals	\$ 603,050	\$ 1,451,538	\$ 1,644,600	\$ 1,848,600	\$ 1,322,100
Expenditures by Category					
Park Development	\$ 242,081	\$ 242,965	\$ 321,700	\$ 321,700	\$ 288,500
Trail Development	18,190	102,629	195,000	215,000	375,000
Maintenance-City Housing	6,793	28,092	115,000	115,000	65,000
Totals	\$ 267,064	\$ 373,686	\$ 631,700	\$ 651,700	\$ 728,500
Surplus (Deficiency) of Revenues over (under) Expenditures	335,986	1,077,852	1,012,900	1,196,900	593,600
Reserve for Delayed Projects	0	-	-	2,776,981	-
Reserve for Athletic Field Maint.	42,970	48,000	52,570	62,170	456,770
Beginning Available Fund Balance	401,729	728,127	1,791,361	1,791,361	201,680
Ending Available Fund Balance	\$ 728,127	\$ 1,791,361	\$ 2,794,662	\$ 201,680	\$ 400,680

Description of Services:

The Park & Trail Improvement Fund was created to account for the purchase and development of parks and trails throughout the city. Because park dedication fees are a revenue source for this fund, state law requires it to be segregated and used only for park and trail acquisition and development. Athletic field fees are collected annually and reserved for future capital needs at each specific field. Trail construction often coincides with road construction projects and neighborhood developments.

Key Measures:	2014 Actual	2015 Actual	2016 Estimated	2017 Projected
Miles of trails constructed	2.00	3.00	5.80	0.65

Budget Comments/Issues:

As indicated in the 2017-2021 CIP, the 2017 budget will fund enhancements to existing city athletic fields, trail upgrades along Plymouth Road in the Ridgedale area, enhancements to the Burwell House infrastructure and wayfinding improvements on the trail system. Adoption of this budget will amend the 2016-20 CIP to fund a feasibility study (\$20,000) for the Plymouth Road (Mtka to Hilloway) trail project currently scheduled for construction in 2019.

- For 2016, the budget included \$150,000 to fund the acquisition of the land for Pioneer Park from Faith Presbyterian Church. The purchase agreement was approved by council on August 11, 2016.

- Revenues to the Parks & Trails Fund in 2016 reflect a significant rise in the number of development projects in the city, which contribute park dedication fees. New construction may also contribute in-kind natural and/or public park improvements as well, and \$1.445 million in the "reserve for delayed projects" above is to ensure funding is available to credit back fees to developers for such costs as needed.

- For 2016, the budget was amended to pay one-time property taxes associated with the purchase of the Cullen-Smith property in 2015.

- For 2015, the budget included trail segments on County Road 101 from County Road 3 to County Road 62 and on County Road 5, from Rainbow Drive to County Road 101, and costs for the projects are currently reflected in the "reserve for previously delayed projects" (\$215,000). Anticipated revenue from the sale of property near Purgatory Park related to this fund has been revised to occur in 2017.

- For 2014, the budget included funding to implement the spectator improvement project at Glen Lake Athletic Park in collaboration with the Glen Lake Mighty Mites completed in 2015. Other major projects included first phase of athletic field safety improvements at Big Willow Park and to conduct structural improvements of the barn at Purgatory Park. The final costs for these projects are included in the above "reserve for delayed projects."

- Except as previously noted, "reserve for delayed projects" are prior year appropriated funds for projects not yet completed but still scheduled. The larger remainder of these projects are the completion of three 2014 road-related trail projects (\$260,000), the city's 2012 comprehensive trail rehab project (\$150,000), the Gray's Bay causeway (\$250,000), POST Plan (\$75,000), and Minnehaha Creek canoe landing (\$50,000).

COMMUNITY INVESTMENT FUND - Finance Department

Revenues	2014 Actual	2015 Actual	2016 Budget	2016 Revised	2017 Budget
Investment Income	\$ 125,394	\$ 166,802	\$ 200,000	\$ 150,000	\$ 150,000
Change in Value of Investments	106,692	-	-	-	-
Other	157,500	157,500	157,500	157,500	157,500
Totals	\$ 389,586	\$ 324,302	\$ 357,500	\$ 307,500	\$ 307,500
Expenditures					
Minnehaha Creek Corridor	\$ -	\$ 2,000	\$ 250,000	\$ 250,000	\$ 150,000
Trail Improvement Plan	-	-	-	-	-
Totals	\$ -	\$ 2,000	\$ 250,000	\$ 250,000	\$ 150,000
Surplus/(Deficiency) of Revenues over/(under) Expenditures	389,586	322,302	107,500	57,500	157,500
Reserve for Delayed Projects				583,000	
<i>Beginning Fund Cash Balance</i>	<i>19,803,501</i>	<i>20,193,087</i>	<i>20,515,389</i>	<i>20,515,389</i>	<i>19,989,889</i>
Total Ending Fund Cash Balance	\$ 20,193,087	\$ 20,515,389	\$ 20,622,889	\$ 19,989,889	\$ 20,147,389
Required Fund Balance	\$ 19,813,818	\$ 19,837,027	\$ 19,853,707	\$ 19,853,707	\$ 19,868,707
Available Fund Balance	\$ 379,269	\$ 678,362	\$ 769,182	\$ 136,182	\$ 278,682

Description of Services:

The Community Investment Fund was created in 1989 to be used solely to pay the capital costs for projects of general benefit to the City of Minnetonka. The city charter provides that the principal of the fund will be increased by ten percent of the investment income each year, and if the principal is used for a project, it must either be repaid or other projects may not be funded until the principal is restored to its previous amount plus ten percent of investment earnings.

City ordinance establishes that the following priorities are to be used in determining which projects should be financed by the fund: *first*, projects that can be funded within the amount of the available investment earnings; *second*, projects that use principal funds and that have the capacity to repay the principal amount borrowed; and *third*, projects that use principal funds, have no other reasonable funding source, are non-revenue producing, require significant funding, and will provide otherwise unattainable community benefit.

In the past, the Community Investment Fund was used to assist in financing the construction and/or renovation of city facilities that include: the Lindbergh Center, Williston Center, the Ice Arena, Shady Oak Beach, the Arts Center, Gray's Bay Marina, and the Public Works Building on Minnetonka Boulevard.

Key Measures:	2014 Actual	2015 Actual	2016 Estimated	2017 Projected
Annual net investment earnings	\$232,086	\$166,802	\$150,000	\$150,000

Budget Comments/Issues:

Recovery from the 2008 economic recession continues to significantly reduce investment earnings to the fund, and as a result, balances available, as projected in the 2017-21 CIP, for future capital projects will continue to be diminished compared to historical.

- The 2017 budget from the Community Investment Fund (CIF) is allocated for the Upper Minnehaha Creek Corridor Project. The current adopted Capital Improvements Program (CIP) dedicates a total of \$600,000 to the project over three years ending 2017. CIF funds in years 2018-20 of the CIP are allotted for interfund loan payback for costs of necessary improvements to the city's ice arena constructed in 2015 using the Special Assessment Construction Fund. The adopted capital budget also provides a list of other significant projects for future consideration to be financed from the fund, including park and open space purchases, a Glen Lake Activity Center Facility, and Big Willow Park enhancements.

- Other revenue to the fund also includes \$63,000 annually transferred in from the General Fund until the year 2048 for ownership conveyance of the Arts Center on 7 to the Minnetonka Independent School District in 2010.

- Completed in 2011, \$4.5 million from the CIF financed significant improvements to the city's Williston Fitness Center. Other revenue to the fund includes \$94,500 annually over ten years for repayment of a portion of those costs from the center's user fees and revenue with a final payment due in 2020.

PARK AND OPEN SPACE BOND FUND - Finance Department

Revenues	2014 Actual	2015 Actual	2016 Budget	2016 Revised	2017 Budget
Interest Income, Other	\$ 404	\$ 49	\$ -	\$ -	\$ -
Transfer In	-	2,523,500	-	-	-
Bond Proceeds	-	-	2,500,000	2,555,967	-
Totals	\$ 404	\$ 2,523,549	\$ 2,500,000	\$ 2,555,967	
Expenditures by Category					
Parks Renewal	\$ -	\$ -	\$ -	\$ -	\$ -
Park & Open Space Purchase	-	2,524,491	-	-	-
Conversion to Open Space	-	-	-	-	-
Minnehaha Creek Corridor	-	-	-	-	-
Trail Investment Plan	-	-	-	-	-
Living Legacy Program	-	-	-	-	-
Bond Issuance Costs	-	-	-	46,192	-
Transfer to SACF, Debt Svc	-	-	2,507,120	2,515,953	-
Totals	\$ -	\$ 2,524,491	\$ 2,507,120	\$ 2,562,145	\$ -
Surplus/(Deficiency) of Revenues over/(under) Expenditures	404	(942)	(7,120)	(6,178)	-
<i>Beginning Fund Balance</i>	<i>6,716</i>	<i>7,120</i>	<i>6,178</i>	<i>6,178</i>	<i>0</i>
<i>Ending Fund Balance</i>	<i>\$ 7,120</i>	<i>\$ 6,178</i>	<i>\$ (942)</i>	<i>\$ 0</i>	<i>\$ 0</i>

Description of Services:

In 2001, Minnetonka voters passed a \$15 million parks and open space bond referendum. Half of the money was earmarked for the renewal of the city's 42 parks, with the other half to be used for open space preservation within Minnetonka. Eleven years after the referendum's passage all parks were renewed. The cost of debt service on the bonds is allocated elsewhere within the city's budget.

Key Measures:

	2014 <u>Actual</u>	2015 <u>Actual</u>	2016 <u>Estimated</u>	2017 <u>Projected</u>
Park renewals completed	42	42	42	42
Park renewals in progress	0	0	0	0
Open space acres newly preserved	0	30	0	0

Budget Comments/Issues:

All available funding in the Park and Open Space Bond Fund has been allocated and programmed as part of previously adopted Capital Improvement Plans (CIPs).

- In 2015, the city exercised its option to purchase the 30-acre Cullen Smith property for \$2.5 million when it was vacated. The city delayed selling this final portion of bonds authorized by the 2001 referendum in order to reduce issuance costs by combining it with other bonds to be sold by the city in 2016. Cash for the purchase was temporarily supported by the Special Assessment Construction Fund (SACF), and proceeds for the bond sale in 2016 are reflected above to reimburse that temporary cash expense.

- Minnetonka Mills Park plans were approved by the city council in 2010, and substantial work was completed in 2013. The park plans include further development of passive and active opportunities along the remainder of the Minnehaha Creek corridor through an expansion of the Burwell House grounds, which will be funded primarily with the Community Investment Fund.

- In 2012, projects at Big Willow, Oberlin and Mayflower Parks were finalized completing the Park Renewal portion of the referendum project.

JOINT RECREATION - Recreation Services Department

Expenditures by Category	2014 Actual	2015 Actual	2016 Budget	2016 Revised	2017 Budget
Personnel	\$ 914,925	\$ 908,586	\$ 978,700	\$ 978,700	\$ 1,024,300
Supplies	61,320	87,720	82,300	71,500	84,300
Other Services & Charges	367,442	375,356	313,200	283,100	311,800
Other	9,588	9,485	-	-	-
Capital Outlay	1,480	-	4,000	-	-
Totals	\$ 1,354,755	\$ 1,381,147	\$ 1,378,200	\$ 1,333,300	\$ 1,420,400

Method of Financing

General Fund	\$ 1,354,755	\$ 1,381,147	\$ 1,378,200	\$ 1,333,300	\$ 1,420,400
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Number of Employees (FTEs)	5.84	5.74	6.35	6.35	6.35
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Description of Services:

The mission of the Joint Recreation Division of the Recreation Services Department is to develop, provide and promote programs and facilities in anticipation of and in response to the recreational needs and interests of our community. The division administers a wide variety of programs and services for residents of Minnetonka and Hopkins. The net cost of the joint recreation program is shared by Minnetonka (67%) and the city of Hopkins (33%). Programs are offered in over 40 areas of interest for participants from infants to senior citizens. This division also oversees the operation of Shady Oak Beach, attended by over 50,000 people annually.

Key Measures:	2014 Actual	2015 Actual	2016 Estimated	2017 Projected
Program participants	39,566	NA	36,000	36,000
Adult sports teams registered	491	460	455	455
Youth sports participation	1,083	NA	1,050	1,000
Resident program participation	56.0%	50.4%	51.0%	52.0%
Expenses covered by fee revenues*	81.2%	79.5%	81.0%	81.0%
Shady Oak Beach season passes sold	4,168	4,029	4,200	4,200
Scholarships approved	110	97	115	100
Total value of scholarships approved	\$3,549	\$3,493	\$3,500	\$3,500

* Includes all recreational programming, facility rentals, and all enterprises under the management of the department.

Budget Comments/Issues:

A goal of the Recreation Services Department in 2017 is to continue to increase the total percentage of resident participation in order to better meet our community's needs as outlined in the city's 2030 Comprehensive Plan and the department's strategic business plan.

- The hiring of a full-time staff to oversee adaptive and aquatics programming was completed in June 2016. The addition of this position is reflected in the added full-time equivalent (FTE) increase in both Joint Recreation and Williston Center. This added FTE eliminated the previous adaptive recreation agreement with Reach for Resources.

- Shady Oak Beach equipment rentals remained popular in 2015 resulting in an 82 percent increase in revenue from 2014. In addition, staff introduced a new punch card option for daily passes that offered 10 punches for \$40 resulting in the sale of 245 cards totaling \$9,800 in revenue.

- The department explored the option of contracting with an outside organization to schedule and manage adult and youth sports officials. A good option for this service was not found so the department will continue to hire officials as city employees.

- The department's revenues to expenditures ratio fell from 81.2 percent in 2014 to 79.4 percent in 2015. Contributing factors include the installation of a new refrigeration system at the Ice Arena and the cost of hardware required for the transition to RecTrac, an online registration and payment system.

- The department converted from Class to RecTrac in May 2015. As a result of this transition, accurate program participation numbers for 2015 are difficult to generate from the two registration systems. Therefore, no 2015 actual numbers have been entered into the "Program participants" and "Youth sports participation" key measures above.

MINNETONKA RECREATION - Recreation Services Department

Expenditures by Category	2014 Actual	2015 Actual	2016 Budget	2016 Revised	2017 Budget
Personnel	\$ 174,515	\$ 187,342	\$ 213,800	\$ 224,700	\$ 224,600
Supplies	6,523	2,111	3,100	4,000	2,100
Other Services & Charges	303,619	254,287	303,000	294,900	294,700
Other	263,000	113,000	113,000	113,000	113,000
Totals	\$ 767,880	\$ 556,740	\$ 632,900	\$ 636,600	\$ 634,400

Method of Financing

General Fund	\$ 767,880	\$ 556,740	\$ 632,900	\$ 636,600	\$ 634,400
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Number of Employees (FTEs)	0.84	0.84	0.75	0.75	0.75
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Description of Services:

The mission of the Minnetonka Recreation Division is to develop, provide and promote programs and facilities in anticipation of and in response to the recreational needs and interests of Minnetonka residents. Recreational amenities and programs included in this budget are primarily intended to serve residents of Minnetonka and include the Lindbergh Center, Music Association of Minnetonka programs, Glen Lake Skate Park, Libb's Lake Beach, outdoor ice rink operations, the Adopt-A-Sign program and six summer playground program locations.

Key Measures:	2014 Actual	2015 Actual	2016 Estimated	2017 Projected
Minnetonka playground household registrations	763	820	775	800
Warming house days of operation	48	50	50	50
Music Association participants	244	239	295	295
Adopt-A-Sign locations	25	25	25	25
Music/Theater in the Park attendance	2,556	3,098	3,200	3,300

Budget Comments/Issues:

The Minnetonka Recreation programming is annually reviewed and adjusted to provide programming that is desired by the community at the present time.

- "Personnel" costs above reflect seasonal and temporary employees hired annually, which may vary dependent upon the program offerings in a given year. FTE numbers in 2016 reflect the elimination of the assistant ice arena manager position.

- The summer playground program continues to be a popular summer activity for Minnetonka residents ages 6-12. The program is free to participants and is held at six locations. All sites registered over 120 participants in 2016.

- Outdoor ice rinks are provided at six city park locations as well as two Hopkins School District locations at Glen Lake and Gatewood Elementary Schools. In the fall of 2015, the park board decided to operate the Gatewood site without the portable trailer due to low attendance as well as electrical and ADA challenges. The city will continue to maintain ice at Gatewood in 2016-17, but once again no trailer will be provided.

- The amphitheater has become a popular summer entertainment venue. Attendance for the Tuesday evening Music in the Park series continues to increase. Ten concerts were scheduled for 2016. The 2016 Theater in the Park production utilized Minnetonka elementary school students who volunteered their time. Attendance for the three performances that were held (one was canceled due to weather) totaled 810. In addition to music and theater, there were three Movie in the Park dates in 2016.

- MAM added a new program in early 2016 called "Chorus a la Carte" which allows participants to become involved in MAM for 4-6 week periods of time as opposed to the entire nine month season. As a result, 47 new participants became involved in MAM in 2016, primarily Minnetonka residents who learned of the option through the *Minnetonka Memo*.

SENIOR SERVICES - Recreation Services Department

Expenditures by Category	2014 Actual	2015 Actual	2016 Budget	2016 Revised	2017 Budget
Personnel	\$ 220,836	\$ 238,725	\$ 254,100	\$ 254,100	\$ 267,300
Supplies	45,003	52,269	43,000	42,500	42,600
Other Services & Charges	77,971	68,835	74,400	74,900	75,000
Totals	\$ 343,810	\$ 359,829	\$ 371,500	\$ 371,500	\$ 384,900
Method of Financing					
General Fund	\$ 343,810	\$ 359,829	\$ 371,500	\$ 371,500	\$ 384,900
Number of Employees (FTEs)	2.5	2.5	2.5	2.5	2.5

Description of Services:

The goals of the Senior Center are to: broaden the knowledge and involvement of older residents; offer diverse programs and services; promote independent living; and encourage volunteerism. Under the leadership of professional staff, Senior Services provides a multi-purpose senior center that offers a wide range of leisure-time activities serving a diverse senior population as well addressing day-to-day living experiences. Such sponsorship includes day trips, group classes, healthcare services, defensive driving, special interest groups, a service skills bank, and meal/ entertainment experiences. In addition, there are 31 special groups/clubs offered for residents to participate in. Some services are provided through contracts with private or non-profit organizations, and a portion of the costs for programs is recovered through fees.

<u>Key Measures:</u>	2014 Actual	2015 Actual	2016 Estimated	2017 Projected
Program participants (unduplicated)	14,899	13,375	14,000	14,000
Senior Services resident participation percentage	76.4%	72.4%	72.0%	73.0%
Program participants (services delivered)	31,897	28,513	30,000	31,000
Senior volunteers used	240	235	240	240
Volunteer hours donated	16,300	16,200	16,000	16,000
Senior Services Program Revenue	\$135,881	\$135,881	\$135,000	\$136,000
Landing Shop % of expenses covered	110%	98%	85%	85%

Budget Comments/Issues:

The 2017 budget for Senior Services is intended to meet the needs of the growing 55+ demographic. In 2015, over 72 percent of Minnetonka residents in this demographic participated in a city program, activity or membership.

- The program revenue key measure represents fees collected for programs and services offered through Senior Services. Prior to 2005, program fees and expenses were managed through Hopkins Community Education.
- The Landing Shop moved from the Mills Landing area to the Westridge Pavilion in October of 2011. Since that time, sales have slowed down, but remain steady. In 2014, the shop was able to make a profit. It is estimated that the shop will cover 85 percent of expenses in 2016. In 2016, the shop added a paid part-time (10 hour/week) on site coordinator at a cost of \$5,000 per year.
- Volunteer hours donated by Senior Services participants annually exceed 16,000. This amounts to a staffing donation of over \$190,000 annually.
- Recreation Services conducts an annual calculation to determine the percentage of residents that participate in programs and services offered. Of the three age demographics studied, the 55+ age group annually ranks highest with over 72% participation.

COMMUNITY FACILITIES DIVISION - Recreation Services Department

Expenditures by Category	2014 Actual	2015 Actual	2016 Budget	2016 Revised	2017 Budget
Personnel	\$ 321,343	\$ 316,740	\$ 346,200	\$ 340,700	\$ 356,300
Supplies	39,668	28,403	55,000	55,000	56,000
Other Services & Charges	117,221	118,208	132,200	131,500	132,700
Capital Outlay	-	-	-	-	-
Totals	\$ 478,232	\$ 463,351	\$ 533,400	\$ 527,200	\$ 545,000
Method of Financing					
General Fund	\$ 478,232	\$ 463,351	\$ 533,400	\$ 527,200	\$ 545,000
Cemetery Fund	-	-	-	-	-
Totals	\$ 478,232	\$ 463,351	\$ 533,400	\$ 527,200	\$ 545,000

Number of Employees (FTEs)	2.75	3.37	3.37	3.37	3.37
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Description of Services:

Community Facilities manages city-owned facilities including the Community Center, Glen Lake Activity Center, nine picnic shelters, field scheduling, Lindbergh Center and the Shady Oak Lake Cemetery. Except for the cemetery, all of the facilities offer a variety of rental spaces for community use. Fees vary dependent on the facility and type of group (resident, non-resident, non-profit). Picnic shelter permits are issued for Gro Tonka, Lone Lake and Shady Oak Park shelters in Minnetonka; and Burnes, Central and Valley Park shelters in Hopkins.

Key Measures:	2014 <u>Actual</u>	2015 <u>Actual</u>	2016 <u>Estimated</u>	2017 <u>Projected</u>
Community Center rental revenue	\$100,267	\$113,447	\$110,000	\$110,000
Community Center hours reserved	12,640	12,818	12,750	13,000
Satellite facility hours reserved	1,299	1,024	1,100	1,200
Picnic shelter permits issued	267	321	300	310
Field fee revenue	\$26,956	\$28,744	\$28,000	\$28,000

Budget Comments/Issues:

The 2017 budget for the Community Facilities Division provides current level services.

- Banquet room improvements in the areas of audio visual, lighting and general interior/exterior appearance completed from 2013 - 2016 provide more flexible use of the room, thus making it more attractive to user groups. This is reflected in the rental revenue increases beginning in 2015.
- The 321 picnic shelter reservations made in 2015 represent the most ever received in a year.
- Consistent with the Council's Strategic Plan, a market study is completed annually to determine fees for use of the Community Center and other recreational facilities.

WILLISTON CENTER - Recreation Services Department

Revenues	2014 Budget	2015 Actual	2016 Budget	2016 Revised	2017 Budget
Membership Fees	\$ 1,459,834	\$ 1,422,139	\$ 1,450,000	\$ 1,460,000	\$ 1,550,000
Tennis Lessons & Court Fees	655,533	603,288	650,000	625,000	625,000
Tennis Pro Shop	18,367	13,885	17,000	12,000	14,500
Sports Training Fees	15,490	10,379	10,000	10,500	10,000
Outside Participant Fees	210,311	210,862	210,000	215,000	220,000
Swim Lessons	70	-	-	-	-
Batting Cage Income	22,094	19,352	22,000	22,000	17,000
Rental Income	16,191	19,011	14,000	16,000	16,000
Investment Income	5,266	3,136	2,000	6,400	6,500
Miscellaneous	94,840	96,587	100,000	110,000	110,000
Totals	\$ 2,497,996	\$ 2,398,639	\$ 2,475,000	\$ 2,476,900	\$ 2,569,000
Expenditures by Category					
Personnel	\$ 1,238,298	\$ 1,333,826	\$ 1,348,400	\$ 1,347,500	\$ 1,388,100
Supplies	166,845	131,643	166,000	152,200	153,000
Other Services & Charges	472,354	515,713	497,200	516,700	517,700
Transfer Expenses	82,500	83,400	84,300	84,300	84,800
Totals	\$ 1,959,997	\$ 2,064,582	\$ 2,095,900	\$ 2,100,700	\$ 2,143,600
Surplus (Deficiency) of Revenues over Expenditures	\$ 538,000	\$ 334,057	\$ 379,100	\$ 376,200	\$ 425,400
Capital Outlay	\$ 262,152	\$ 241,920	\$ 349,500	\$ 374,500	\$ 234,500
Number of Employees (FTEs)	7.05	7.15	7.45	8.45	8.45

Description of Services:

Recreational amenities at the Williston Fitness Center include: Five indoor tennis courts, a 25-yard swimming pool, indoor splash pad, two aerobics studios, four baseball/softball batting cages, a multi-purpose gymnasium, indoor climbing structure, strength training equipment, cardio vascular equipment, whirlpool, and saunas. Minnetonka residents and non-residents may use the facility by paying a daily fee, or registering for a recreational class. In addition, Minnetonka residents may opt to purchase one of a variety of season membership packages. Fees charged to users support the operation of the facility.

Key Measures:	2014 Actual	2015 Actual	2016 Estimated	2017 Projected
Average active members	8,361	8,023	8,000	8,000
Daily fee (non-member) participants	33,796	36,094	36,000	36,000
Total facility visits	310,168	293,369	300,000	300,000
Recreation program hours	8,506	8,551	8,500	8,500
Birthday party revenue	\$35,593	\$35,155	\$35,000	\$35,000
% of expenses covered by revenue	112%	104%	100%	108%

Budget Comments/Issues:

The 2017 budget for the Williston Fitness Center reflects continued forecasted strength in the fund's financial position. Significant improvements to the facility completed mid-2011, including required primary infrastructure maintenance and new child-oriented amenities, are a driving factor behind the facility's recent and projected successes. An additional fitness coordinator position was added in 2016 to accommodate the critical function of overseeing the center's primary fitness curriculum and other programming.

- Membership rates increased January 2014, and will again in January 2017. Membership sales have normalized to a manageable number since the facility implemented a "non-resident membership freeze" on July 1, 2013.
- Non-member usage (i.e. daily passes, private parties, programming) of the facility continues to be popular. The facility's child-oriented amenities and the fact that other local facilities offer a more expensive daily rate make Williston an obvious choice for those wishing to drop in.
- Facility visits is a combination of membership scans, daily visits and program participation, which provides an accurate number for usage of the facility.
- The replacement of the pool deck and fitness equipment was completed in 2016. These projects will help ensure a quality experience for all visitors.

ICE ARENA - Recreation Services Department

Revenues	2014 Actual	2015 Actual	2016 Budget	2016 Revised	2017 Budget
Ice Rental	\$ 619,745	\$ 549,188	\$ 600,000	\$ 600,000	\$ 600,000
Concessions	58,600	47,000	55,000	50,000	50,000
Programs & Special Events	241,527	247,967	225,000	225,000	225,000
Miscellaneous	3,269	1,052	10,000	10,000	10,000
Transfers In	200,000	50,000	50,000	50,000	50,000
Investment Income	(6,707)	(2,998)	-	(1,400)	(1,400)
Totals	\$ 1,116,434	\$ 892,209	\$ 940,000	\$ 933,600	\$ 933,600

Expenditures by Category

Personnel	\$ 534,436	\$ 532,834	\$ 439,200	\$ 439,200	\$ 447,300
Supplies	65,764	63,001	83,100	80,400	83,800
Other Services & Charges	296,930	251,122	268,400	253,400	253,400
Costs of Goods Sold	41,941	35,535	38,500	38,500	37,000
Transfer Expenses	61,800	62,400	63,000	63,000	63,300
Totals	\$ 1,000,871	\$ 944,892	\$ 892,200	\$ 874,500	\$ 884,800

Surplus(Deficiency) of Revenues over Expenditures	\$ 115,563	\$ (52,683)	\$ 47,800	\$ 59,100	\$ 48,800
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Capital Outlay	\$ -	\$ -	\$ -	\$ -	\$ -
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Number of Employees (FTEs)	3.62	3.62	3.00	3.00	3.00
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Description of Services:

The Minnetonka Ice Arena, under the management of the Recreation Services Department, provides ice time and programs to the surrounding community, as well as local special interest groups and individuals for the purpose of ice related recreational activities. Programs and activities include, but are not limited to hockey, figure skating, learn-to-skate programs and public skate sessions. Fees charged to users support the operation of the facility.

Key Measures:	2014 Actual	2015 Actual	2016 Estimated	2017 Projected
Ice rental hours sold	3,167	2,750	3,100	3,100
Registered skating lesson participants	1,300	1,186	1,200	1,200
Public skating/hockey hours offered	560	490	560	560
Public skating/hockey participants	4,875	4,000	4,800	4,800
Adult hockey teams registered	17	18	20	16
Total days of operation	341	327	340	340
Operating expenses covered by revenue, transfers in	112%	94%	107%	106%

Budget Comments/Issues:

Since completion of a major renovation in 2015, the Ice Arena has improved its financial footing. As a result of the restructured personnel and the projected utility and maintenance savings with the new refrigeration renovation, the ice arena estimates an operating cost reduction of \$126,000 in 2016 from actual 2014 expenditures.

- Despite its solid record in maintaining strong demand for use of the facility, the Ice Arena historically struggled to generate enough revenues to meet its annual operating costs. Because this was in part due to mechanical failures of the aging facility, the city council advanced a capital project from 2018 to 2015 to replace the refrigeration system of Arena A. Additionally, the General Fund provided a one-time cash infusion of \$200,000 to the enterprise fund in 2014 as well as an ongoing annual subsidy of \$50,000 beginning 2015.

- At a cost of \$1.5 million, the 2015 capital improvement of Ice Arena A included replacement of the refrigeration system to meet federal guidelines away from R22 refrigerant and a new state of the art dasher board system that includes enhanced safety characteristics.

- In May of 2015, the ice arena restructured personnel, resulting in the elimination of 1.0 FTE position to reduce operating expenditures. In 2016, the position of Building Supervisor was increased from a .80 position to a 1.0 benefit earning position to be in compliance with the Affordable Care Act.

- Decreases in 2015 revenues, ice rental hours and participation numbers are a result of ice time lost to complete the Ice Arena A refrigeration and dasher board replacement project.

ICE ARENA IMPROVEMENT FUND - Recreation Services Department

Revenues	2014 Actual	2015 Actual	2016 Budget	2016 Revised	2017 Budget
Grants	-	-	-	-	-
SACF, Transfer In/Out	100,000	1,600,000	-	(246,519)	-
Interest on Investments	(304)	7,935	-	-	-
Totals	\$ 99,696	\$ 1,607,935	\$ -	\$ (246,519)	\$ -
Expenditures by Category					
Ice Arena A Project	\$ -	\$ 1,409,412	\$ -	\$ 51,700	\$ -
Interfund Loan Repayment	-	-	-	-	-
Totals	\$ -	\$ 1,409,412	\$ -	\$ 51,700	\$ -
Surplus (Deficiency) of Revenues over Expenditures	99,696	198,523	-	(298,219)	-
Reserve for Delayed Projects	-	-	-	-	-
<i>Beginning Fund Balance</i>	-	99,696	298,219	298,219	-
<i>Ending Fund Balance</i>	\$ 99,696	\$ 298,219	\$ 298,219	\$ -	\$ -

Description of Services:

The Ice Arena Improvement Fund was created in 2014 to finance the replacement of Rink A refrigeration system, rink floor, and dasher boards. The adopted 2015-19 Capital Improvements Program (CIP) originally scheduled the project in 2017 to meet federal law changes effective in 2020 that eliminated R22 refrigerant. Instead, the project has been advanced for construction in 2014 and 2015 with a transfer of proceeds from the city Special Assessment Construction Fund.

Key Measures:*	2014 Actual	2015 Actual	2016 Estimated	2017 Projected
Annual oper/maint cost savings to	NA	0	\$33,000	\$33,000

* Partial year due to construction schedule.

Budget Comments/Issues:

The 2015-20 CIP anticipates payback of the cost to the Special Assessment Construction Fund beginning 2018 through 2021 from the Community Investment Fund (CIF), but will ultimately depend upon actual and future investment earnings of the CIF.

- Staff anticipates an annual savings of around \$33,000 to operations and maintenance costs beginning 2016 after replacement systems are in place. Staff also estimates that advance funding of the project saved more than \$250,000 in construction costs.
- Construction during the project is anticipated to have caused a one-time loss of around \$65,000 in revenue to the Ice Arena in 2015.

GRAY'S BAY MARINA - Recreation Services Department

Revenues	2014 Actual	2015 Actual	2016 Budget	2016 Revised	2017 Budget
Slip Rental	\$ 111,650	\$ 112,050	\$ 113,100	\$ 113,100	\$ 113,100
Fuel Sales	104,928	129,648	118,000	119,000	115,000
Other Revenue	1,241	1,605	1,300	1,100	1,100
Investment Income	4,720	3,702	5,000	2,000	2,000
Totals	\$ 222,539	\$ 247,005	\$ 237,400	\$ 235,200	\$ 231,200
Expenditures by Category					
Personnel	\$ 42,174	\$ 47,811	\$ 51,400	\$ 50,400	\$ 53,500
Supplies	82,263	96,102	104,100	86,300	100,600
Other Services & Charges	31,943	36,956	37,300	36,000	38,400
Transfer Expenses	24,900	25,100	25,300	25,300	25,400
Totals	\$ 181,280	\$ 205,969	\$ 218,100	\$ 198,000	\$ 217,900
Surplus (Deficiency) of Revenues over Expenditures	\$ 41,259	\$ 41,036	\$ 19,300	\$ 37,200	\$ 13,300
Capital Outlay	\$ -	\$ -	\$ 15,000	\$ 15,000	\$ -
Number of Employees (FTEs)	0.20	0.20	0.20	0.20	0.20

Description of Services:

Grays Bay Marina is managed by the Recreation Services Department and is open April 1-October 31, weather and ice-out dates permitting. The facility offers 29 boat slips that are leased to Minnetonka residents only. The site is staffed mid-April through October 31 and offers fuel, pump-out service, oil, restroom facilities and public launch supervision. User fees and sales finance operation and maintenance of the facility. Through a joint powers agreement, the City is responsible for all capital outlay for City owned amenities such as the service building and boat slip/service docks, with the DNR proving the funding for public areas of the park such as the public landing, boarding docks, and parking lot. The City also provides funding for the parking lot.

Key Measures:	2014 Actual	2015 Actual	2016 Estimated	2017 Projected
Gallons of gas sold on site	19,411	26,454	27,500	24,500
Days of operation	184	200	200	200
Slip lease rate	\$3,900	\$3,900	\$3,900	\$3,900
Operating expenses covered by revenue	123%	120%	119%	106%

Budget Comments/Issues:

The 2017 budget for Grays Bay Marina provides current level services and a strong financial position for the fund.

- Replacement security camera equipment were installed 2016.
- 2014 gas sales were 20 percent lower than average due to weather and the no wake restriction on Lake Minnetonka that was in effect approximately two of the three peak months of the season.
- In 2013, a new wait list procedure was approved for allocating slip leases. It replaced the previous lottery system, which lacked flexibility for customers and became inefficient due to decreasing demand for slips.
- Thirty-five percent of the LMCD dues are funded through the marina operations budget and is shown as "Other Services & Charges," and the remainder is funded and paid by the Natural Resources Division of the Public Works Department.

COMMUNITY DEVELOPMENT DIVISION - Community Development Department

Expenditures by Category	2014 Actual	2015 Actual	2016 Budget	2016 Revised	2017 Budget
Personnel	\$ 1,232,748	\$ 1,354,655	\$ 1,407,300	\$ 1,447,300	\$ 1,462,200
Supplies	18,646	23,496	19,500	19,800	19,300
Other Services & Charges	187,774	194,550	178,000	208,000	205,200
Capital Outlay	-	2,034	-	-	-
Totals	\$ 1,439,168	\$ 1,574,735	\$ 1,604,800	\$ 1,675,100	\$ 1,686,700

Method of Financing

General Fund	\$ 1,439,168	\$ 1,574,735	\$ 1,604,800	\$ 1,675,100	\$ 1,686,700
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Number of Employees (FTEs)	11.00	12.50	13.10	13.10	13.10
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Description of Services:

The mission of the Community Development Department is to promote building safety through education and inspections, and to promote community vitality through housing, redevelopment, and transit. The department educates residents and businesses about code compliance and assists them in developing a safer, healthier community by sharing clear, timely information with residents and businesses. Community Development also provides housing and redevelopment services for the city, and coordinates certain transit services, including the Minnetonka Dial-A-Ride. Building inspections are provided to Deephaven, Woodland and Greenwood via a contract for services.

Key Measures:	2014 Actual	2015 Actual	2016 Estimated	2017 Projected
Permits issued	7,121	7,924	7,500	7,250
Building construction value	\$ 165 million	\$264 million	\$200 million	\$207 million
Residential building plan reviews	620	764	750	700
Agenda items prepared	292	247	310	300

Budget Comments/Issues:

The 2017 budget for the Community Development Division continues to support a high period of investment with respect to projects and permits. Wait times (number of days) for inspections continues to be a challenge in 2017.

- A tight labor market for the specialized skills required of city permit inspectors continues to be a challenge for the department. Staff appropriately relies upon part-time and contracted employees for these services to meet customer needs during periods of position vacancies.
- The number of permits issued is expected to be steady with a slight decrease in 2017; however, overall construction value is expected to be higher.
- The complexity and size of building projects is increasing. Apartments and commercial expansion/remodeling continue to be the largest category of activity.
- As technology in plan review has matured, the city will be completing its plan review implementation in 2017. There is an on-going fee of \$25,000 per year.

PLANNING DIVISION - Community Development Department

Expenditures by Category	2014 Actual	2015 Actual	2016 Budget	2016 Revised	2017 Budget
Personnel	\$ 519,717	\$ 556,082	\$ 594,000	\$ 594,000	\$ 608,000
Supplies	2,639	6,734	3,800	3,800	3,800
Other Services & Charges	21,471	37,665	104,700	104,700	107,500
Capital Outlay	-	-	3,600	3,600	2,000
Totals	\$ 543,827	\$ 600,481	\$ 706,100	\$ 706,100	\$ 721,300

Method of Financing	2014 Actual	2015 Actual	2016 Budget	2016 Revised	2017 Budget
General Fund	\$ 543,827	\$ 600,481	\$ 706,100	\$ 706,100	\$ 721,300

Number of Employees (FTEs)	5.50	6.00	6.00	6.00	6.00
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Description of Services:

The mission of the Planning Division is to champion the values of the community by guiding development and protecting the environment. The division serves Minnetonka by providing a long-range plan for the city, reviewing new development applications to ensure that development standards are met, and providing information and assistance to residents, businesses, other city departments, and developers.

<u>Key Measures:</u>	2014 Actual	2015 Actual	2016 Estimated	2017 Projected
Planning applications received	109	116	100	90
Building permits reviewed	875	1,007	1,080	900
Grading permits issued	13	1	7	12
Sign permits issued	92	108	85	80
Public meetings	83	63	60	65

Budget Comments/Issues:

The Planning Division is fully staffed and continues to experience a heavy work flow as a result of development requests. Funding for the Planning Division includes an additional \$75,000 each year in 2016 and 2017 for work on the city's long term Comprehensive Plan.

- The overall number of planning applications is expected to decrease slightly from 2016. At the same time, the complexity and scale of these applications continues to increase. Site plan applications associated with these require far more staff time than variance applications for home additions. Public outreach prior to construction, has also increased.
- Staff anticipates projects requiring more time and public interaction will be received in the coming years as redevelopment around Ridgedale continues and the Green Line Extension (SWLRT) is constructed.
- Staff will also be starting work on the 2040 Comprehensive Plan, which will be submitted to the Metropolitan Council in 2018. The portion of funding that was budgeted and not spent in 2016 will be transferred and reserved in the Development Fund to accommodate total project timing.
- In 2017, staff will be working on a the second phase of updating the sign ordinance.

ASSESSING DIVISION - Finance Department

Expenditures by Category	2014 Actual	2015 Actual	2016 Budget	2016 Revised	2017 Budget
Personnel	\$ 538,876	\$ 540,839	\$ 587,100	\$ 587,100	\$ 621,900
Supplies	7,299	4,411	4,200	4,200	4,500
Other Services & Charges	105,882	114,665	135,900	135,900	140,800
Capital Outlay	-	-	-	-	-
Totals	\$ 652,057	\$ 659,915	\$ 727,200	\$ 727,200	\$ 767,200

Method of Financing

General Fund	\$ 652,057	\$ 659,915	\$ 727,200	\$ 727,200	\$ 767,200
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Number of Employees (FTEs)	5.60	5.60	5.60	5.60	5.60
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Description of Services:

The mission of the Assessing Division is to establish accurate and equitable market values by recording property characteristics and conducting sales analyses of the approximately 20,600 parcels in the city, including real and personal property, residential, industrial, and tax exempt. After the division values parcels of real property in the city, as required by state law, it mails value notices to property owners in March. Property owners' concerns or appeals are addressed by staff and by the city council sitting as the Local Board of Appeal and Equalization in April. The council has local real estate professionals advise them when considering market value appeals, while staff works with commercial property owners regarding their petitions to State Tax Court. The division also administers the homestead classification, special assessments, and serves as the repository for current and historical property information within the city.

Key Measures:

	2014 <u>Actual</u>	2015 <u>Actual</u>	2016 <u>Estimated</u>	2017 <u>Projected</u>
Total market values	\$7.97 billion	\$8.39 billion	\$8.7 billion	\$8.8 billion
Sales ratio (targets revised annually by county)	97.3%	97.3%	97.2%	96.5%
Coefficient of dispersion (Less than 10 is "good.")	6.4	6.4	7.5	7.0
Special assessment manual information requests	491	874	990	150
Survey rating "excellent" or "good" from on-site appraisal visits	99.6%	97.0%	99%	99%
Commercial tax court petitions (payable year)	114	110	85	100
Assessing repository electronically filed (cumul.)	45%	80%	95%	100%

Budget Comments/Issues:

The 2017 budget for the Assessing Division generally supports current level services. Fluxuations in the real estate market can increase the workload of the division with required revaluation of properties due to new developments and other improvements.

- Because the city experienced a precipitous rise in special assessment requests for information in 2015 and 2016, the division purchased the use of software to make special assessment information by parcel available to the public online. As a result, it is anticipated that only a fraction of such needs will actually require staff time beginning mid-2016.

- Since restructuring and reducing full-time staffing numbers in the division during the recession, seasonal interns serve a critical role in managing the division's workload.

- As was common throughout most metro areas in recent years, the economic distress of the 2008 recession was reflected in the city experiencing a substantial increase in the number of commercial tax court petitions of property valuations. The number was three times greater in 2011 than 2007. The trend is now stabilizing at a higher level than the pre-recession years, and petition numbers above are projected based on likely disposition of known cases. Adjudicating some of those appeals may impact costs for "Other Services & Charges."

DEVELOPMENT FUND - Community Development Department

Revenues	2014 Actual	2015 Actual	2016 Budget	2016 Revised	2017 Budget
Interest Income	\$ 21,243	\$ 18,933	\$ 20,000	\$ 10,400	\$ 15,000
TIF-related Levy Proceeds	200,000	200,000	270,000	270,000	270,000
Other Grants	17,948	-	-	250,000	200,000
TIF Admin Revenue	125,649	127,697	125,000	127,000	127,000
Cedar Ridge Assessments	57,745	56,196	58,000	54,000	54,000
Miscellaneous Income	181,212	48,846	-	-	-
Transfers In	-	350,000	10,900	75,000	50,000
Totals	\$ 603,797	\$ 801,672	\$ 483,900	\$ 786,400	\$ 716,000
Expenditures by Category					
Redevelopment Projects	166,276	242,056	45,000	30,000	45,000
Transit Projects/Programs	-	-	-	-	-
Economic Development Programs	32,500	14,595	40,000	40,000	40,000
Transfer to SACF	-	197,266	197,300	197,300	197,300
Other	26,036	-	-	332,000	200,000
Transfer Out, Indirect Costs	58,200	59,400	60,600	60,600	61,200
Totals	\$ 283,012	\$ 513,317	\$ 342,900	\$ 659,900	\$ 543,500
Surplus (Deficiency) of Revenues over Expenditures	320,785	288,355	141,000	126,500	172,500
Beginning Fund Balance	1,741,744	2,062,529	2,350,884	2,350,884	2,477,384
Ending Fund Balance	\$ 2,062,529	\$ 2,350,884	\$ 2,491,884	\$ 2,477,384	\$ 2,649,884

Number of Employees (FTEs)

- - -

Description of Services:

The Development Fund was created with funds remaining after retiring the bonds of a single Tax Increment Finance (TIF) district in 1993. Under provisions of the TIF contract and law, the Development Fund may only be used for costs associated with Minnetonka's redevelopment and economic development activities. The city's Economic Development Authority initiates projects appropriate to these activities.

Key Measures:

	2014 Actual	2015 Actual	2016 Estimated	2017 Projected
Development/redevelopment projects in progress	2	7	6	5
Predevelopment contacts	5	2	4	2

Budget Comments/Issues:

The city recently completed its Tax Increment Financing Report. The draft report indicates the Glenhaven District is performing well, and the initial interfund loan from the Development Fund for public improvement project costs, in the amount of \$360,000, was repaid in 2015 and 2016 as indicated above. Adoption of this budget authorizes a temporary interfund loan of \$82,000 for the early purchase of planning software for the Community Development Department. Initial payback of \$50,000 of this amount is indicated above as a transfer in from the Technology Fund per the adopted 2017

- 2017 revenue to the Development Fund includes additional dollars, which is a temporary funding stream associated with returned tax increment proceeds from Boulevard Gardens Tax Increment Finance (TIF) District. The annual amount has increased due to improved market values of the district and is scheduled to continue through the life of the district, which ends 2021.

- The 2017 budget does not include an additional funding for loan repayment to be paid to the Special Assessment Construction Fund for the Shady Oak Road / Oak Drive project, because the plan includes selling the property in 2017 to fully repay the special assessment loan.

- 2016 revenue includes \$75,000 previously budgeted in the General Fund to be transferred into the Development Fund and reserved for costs of the city's 20-year Comprehensive Plan. An additional \$150,000 in costs for the project will be budgeted and spent out of the planning division's operating budget in 2017 and 2018, \$75,000 each year.

- In 2012, the city approved establishment of the Cedar Ridge Housing Improvement Area (HIA). Revenues to offset these costs that were incurred in 2012 and 2013 will be realized over time through special assessments to the property owners. Income for 2017 is expected to be approximately \$54,000.

- Funds budgeted for "Redevelopment Projects" are for pre-development activities as recommended by the Economic Development Advisory Commission (EDAC). In prior years, these costs were noted under "Other."

- Expenditures under Economic Development Programs are used to fund the Open to Business program, which is administered by a third party contractor. Also included is the city's GreaterMSP membership.

NOTE: The following budget will reflect the Minnetonka Economic Development Authority (EDA) final adopted Housing and Redevelopment Authority (HRA) tax levy. The HRA tax levy is not legally a statutory levy of the City of Minnetonka.

HOUSING & REDEVELOPMENT AUTHORITY FUND

Revenues	2014 Actual	2015 Actual	2016 Budget	2016 Revised	2017 Budget
Ad Valorem Tax Levy	\$ 168,603	\$ 171,617	\$ 175,000	\$ 175,000	\$ 175,000
Investment Interest	\$ 6,972	\$ 3,347	\$ -	\$ 1,300	\$ 2,000
Totals	\$ 175,575	\$ 174,964	\$ 175,000	\$ 176,300	\$ 177,000
Expenditures by Category					
WHAHLT	43,944	-	-	-	-
Village Center Master Planning	49,038	139,258	-	-	-
Marketing	6,000	-	75,000	-	-
Mtka Livable Communities Fund	-	-	-	-	-
SWLRT	-	-	75,000	75,000	75,000
Business Outreach	-	-	25,000	25,000	-
Housing Programs	-	-	75,000	75,000	100,000
Totals	\$ 98,982	\$ 139,258	\$ 250,000	\$ 175,000	\$ 175,000
Surplus (Deficiency) of Revenues over Expenditures	76,593	35,706	(75,000)	1,300	2,000
Reserve for Delayed Projects			-	559,095	
Beginning Fund Balance	\$ 445,496	522,089	557,795	557,795	(0)
Ending Fund Balance	\$ 522,089	\$ 557,795	\$ 482,795	\$ (0)	\$ 2,000

Description of Services:

Minnesota Statutes 469.033, Subd. 6 authorizes housing and redevelopment authorities (HRAs) the power to levy a tax upon all property within its district to finance housing and redevelopment programs subject to the consent of the city council. In 1988 and amended in 1994 and 2010, the Minnetonka City Council established the Economic Development Authority (EDA) of the City of Minnetonka and transferred to the EDA the control, authority and operation of all projects and programs of the city's HRA. The law and council resolutions further require the EDA to file a budget in accordance with the budget procedure of the city in the same manner as required of executive departments of the city and all actions of the authority to be approved by the city council.

Key Measures:	2014 Actual	2015 Actual	2016 Estimated	2017 Projected
Village center master plans completed (not cumulative)	1	1	NA	NA
Housing rehab loan issued <\$15,000	10	5	5	4
Average amount of rehab loan	\$11,930	\$13,398	\$12,630	\$10,000
Down payment assistance provided <\$10,000	1	1	5	3
Average amount of down payment loans	\$6,000	\$10,000	\$10,000	\$10,000

Budget Comments/Issues:

The 2017 Housing and Redevelopment Authority (HRA) budget is reviewed by the Economic Development Advisory Committee (EDAC).

- The city launched two housing improvement programs in June 2011, Minnetonka Home Enhancement (rehab) and Welcome to Minnetonka (down payment). Because the pace of actually making loans was slower than expected until 2014, the city did not supply new funding for the programs. The funds previously provided are expected to be exhausted in early 2016 and are reflected above in the Reserve for Delayed Projects. In 2016, the city experienced an uptick in interest in the Minnetonka Home Enhancement and Welcome to Minnetonka programs, funds were fully committed by fall of 2016. Additional dollars are included in the levy to fund the program in the future years. The interest recaptured is minimal and cannot sustain the program long-term.
- Reserve for Delayed Projects includes funding for Housing programs, Business Outreach, SWLRT and marketing.
- Because HRA levies are specifically covered as separate levies under state law, proposed property tax notices and invoices to property owners identify the levy as a "special taxing district" separate from the city.

MINNETONKA LIVABLE COMMUNITIES FUND - Community Development Department

Revenues	2014 Actual	2015 Actual	2016 Budget	2016 Revised	2017 Budget
Interest Income	8,007	3,151	2,000	700	1,000
Metropolitan Council Grants	57,000	65,000	50,000	150,000	150,000
Other	-	-	-	-	-
Totals	\$ 65,007	\$ 68,151	\$ 52,000	\$ 150,700	\$ 151,000
Expenditures by Category					
Cedar Point Affordable Housing	-	-	-	-	-
Mtka Heights / Crown Ridge	36,000	26,821	9,000	9,000	-
WHAHLT	279,218	241,770	225,000	225,000	100,000
Legal/Other	736	-	-	-	-
Transfers Out	-	-	-	-	-
Totals	\$ 315,954	\$ 268,591	\$ 234,000	\$ 234,000	\$ 100,000
Surplus (Deficiency) of Revenues over Expenditures	(250,947)	(200,440)	(182,000)	(83,300)	51,000
Beginning Fund Balance	1,206,103	955,156	754,716	754,716	671,416
Reserve for prior obligations			-	-	
Ending Fund Balance	\$ 955,156	\$ 754,716	\$ 572,716	\$ 671,416	\$ 722,416

Description of Services:

The Livable Communities fund was created after receiving special legislation to develop an account from the revenues of a closed Tax Increment Finance (TIF) district. The legislation specifically restricts the use of these funds for affordable housing programs. Standards for affordability are consistent with the Metropolitan Council's income, rent and sales price limits. Uses of the fund are annually recommended by the city's Economic Development Advisory Commission (EDAC) and adopted by the city council herein.

Key Measures:	2014 Actual	2015 Actual	2016 Estimated	2017 Projected
Total WHAHLT units in Minnetonka	52	55	56	57
Average sales price of WHAHLT unit	\$135,000	\$135,000	\$140,000	\$140,000
Percent of Met Council housing goals achieved	33%	41%	49%	55%
Median value of Minnetonka home	\$297,400	\$317,800	\$323,400	\$329,868
Change from previous year	8.9%	6.9%	1.8%	2.0%

Budget Comments/Issues:

Due to structural imbalance of the fund, the Livable Communities Fund balance is projected to decrease over time. In 2009, the city's Economic Development Authority (EDA) and the Minnetonka city council adopted a Housing & Redevelopment Authority (HRA) levy to potentially supplement this fund for the purposes of increasing affordable housing.

- The city provides annual financial support to the West Hennepin Affordable Housing Land Trust (WHAHLT), or Homes Within Reach. The city generally provides around \$225,000 annually through 2016, and WHAHLT has two years to use each year's allotment. "Reserve for prior obligations" are the portion of the prior year WHAHLT allotment that may still be spent in the current fiscal year. After accounting for the final three years of commitment (\$675,000) per the adopted Economic Improvement Program (EIP), it is anticipated that balances will be exhausted in this fund in 2017. As outlined in the EIP, funding to Homes within Reach will be reduced to \$100,000 in 2017. The current fund balance of the final 3 year commitment is \$375,807.

- \$364,000 in revenue and additional expenditures for WHAHLT from 2012 to 2018 are a pass-through grant from the Metropolitan Council, which the non-profit is using to fund scattered-site affordable housing.

- New Metropolitan Council housing goals began in 2011, making the percentage of achievement drop as noted above. The percentages are based on an allocation goal established by the Met Council, and the City of Minnetonka's goal is 246 affordable housing units to be provided between 2011 and 2020. In 2017, it is expected that 55% of this goal will be met.

COMMUNITY DEVELOPMENT BLOCK GRANT FUND - Community Development Dept.

Revenues	2014 Actual	2015 Actual	2016 Budget	2016 Revised	2017 Budget
Federal Grant	\$ 183,515	\$ 244,088	\$ 160,000	\$ 159,745	\$ 160,000
Investment Income	996	867	-	500	800
Program Income	20,000	36,879	-	20,000	20,000
Totals	\$ 204,511	\$ 281,834	\$ 160,000	\$ 180,245	\$ 180,800
Expenditures by Category					
Housing Rehabilitation	\$ 195,458	\$ 295,164	\$ 120,000	\$ 124,188	\$ 120,000
Support Services	22,148	17,404	25,000	23,960	25,000
Administration	7,077	-	10,000	10,000	10,000
Fair Housing	3,140	1,570	2,000	1,597	2,000
Totals	\$ 227,823	\$ 314,138	\$ 157,000	\$ 159,745	\$ 157,000
Surplus (Deficiency) of Revenues over Expenditures	(23,312)	(32,304)	3,000	20,500	23,800
<i>Beginning Fund Balance</i>	<i>102,526</i>	<i>79,214</i>	<i>46,910</i>	<i>46,910</i>	<i>67,410</i>
Ending Fund Balance	\$ 79,214	\$ 46,910	\$ 49,910	\$ 67,410	\$ 91,210

Description of Services:

Since 1975, the Community Development Block Grant (CDBG) fund has accounted for revenues and expenditures made under the federal CDBG program. Minnetonka typically uses these funds for housing projects and programs (such as housing rehab, affordable housing, and supportive housing) and supportive services (such as senior chore programs, sliding fee day care assistance, and others). The CDBG grant revenues vary from year to year based on funding decisions made by the federal government. Because CDBG funding distribution and the federal fiscal year do not coincide with the city's fiscal year, expenditures and revenue figures may seem lower or higher than the allocation, which also affects the key measure comparison. A typical CDBG timeline is the award notification by the Federal government is provided in February, the funds become available in July of that year. This budget is prepared approximately one year ahead of the actual knowledge of funds received.

Key Measures:

	2014 <u>Actual</u>	2015 <u>Actual</u>	2016 <u>Estimated</u>	2017 <u>Projected</u>
Rehabilitation projects (≤ \$20,000) completed	4	5	5	3
Average cost of rehabilitation project	\$4,934	\$13,389	\$50,000	\$30,000
Small projects rehab program (≤ \$5,000) completed	24	34	25	25
Avg. cost of emergency repair project (≤ \$5,000)	\$4,912	\$4,532	\$5,000	\$5,000

Budget Comments/Issues:

The 2017 budget does not include substantial changes. However, it is anticipated that this Federal fund will not continue for the long term.

- Housing Rehabilitation expenditures above include both the city's rehab and small project rehab programs.
- Program Income above is generated when there is an early repayment for a rehabilitation loan.
- Beginning 2009, the city receives from nonprofit organizations applications for CDBG program monies, which are reviewed and ranked for funding by the Minnetonka Economic Development Advisory Commission (EDAC). Preference is given to agencies that provide community-wide benefits, proportionately serve Minnetonka residents, have limited access to alternative funding, and provide cost-effective services. Based upon those criteria, the following amounts are included above for funding as indicated:

	2014	2015	2016	2017
Community Action Partnership of Suburban Hennepin (CAPSH)	\$ 3,978	\$ 4,400	\$ 2,425	\$ 2,500
HOMELine	873	-	-	-
Resource West	3,978	4,400	4,525	4,500
Intercongregation Communities	7,855	9,000	7,970	8,000
Senior Community Services (SCS) H.O.M.E.	3,980	5,500	5,270	5,500
Treehouse	-	-	3,770	4,000
Total	\$ 20,664	\$ 23,300	\$ 23,960	\$ 24,500

MAYOR AND CITY COUNCIL

Expenditures by Category	2014 Actual	2015 Actual	2016 Budget	2016 Revised	2017 Budget
Personnel	\$ 72,090	\$ 72,753	\$ 93,300	\$ 86,900	\$ 86,900
Supplies	-	-	-	-	-
Other Services & Charges	138,641	150,741	147,900	150,600	155,800
Totals	\$ 210,731	\$ 223,494	\$ 241,200	\$ 237,500	\$ 242,700

Method of Financing

General Fund	\$ 210,731	\$ 223,494	\$ 241,200	\$ 237,500	\$ 242,700
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Number of Elected Officials	7.0	7.0	7.0	7.0	7.0
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Description of Services:

The mayor and six council members are the city's elected representatives and the governing body. The city's charter and code of ordinances provide that they be paid a modest salary and reimbursed for reasonable expenses, which are included within this budget. Also included in this budget are the city's memberships and dues in various metro, state and national organizations through which the city's interests are represented and/or the city receives benefits and services.

Key Measures:	2014 Actual	2015 Actual	2016 Estimated	2017 Projected
Residents rating 'Quality of Life' in city 'good'/'excellent'	98%	98%	98%	98%
City council meeting dates (reg and study sessions)	32	35	33	33
Board, commission and task force appointments/ reappointments	28	26	31	37

Budget Comments/Issues:

The 2017 budget is consistent with the 2016 budget.

- Increases in other services and charges are related to the increasing dues for organizational memberships in which the city is enrolled and fees for those associated conferences.
- The 2016 budget reflects an ordinance that was adopted in 2014 to increase council members salaries after the 2015 general election that became effective on January 1, 2016.
- 2016 appointments includes the 11-member Imagine Minnetonka steering committee, and 2017 includes an anticipated number of task force appointments for the comprehensive guide plan process.

ADMINISTRATIVE SERVICES DEPARTMENT

Expenditures by Category	2014 Actual	2015 Actual	2016 Budget	2016 Revised	2017 Budget
Personnel	\$ 1,061,301	\$ 1,061,905	\$ 1,143,600	\$ 1,160,900	\$ 1,323,600
Supplies	17,049	30,271	28,900	34,100	29,000
Other Services & Charges	208,207	194,796	298,100	247,100	330,200
Capital Outlay	-	-	-	-	-
Totals	\$ 1,286,557	\$ 1,286,972	\$ 1,470,600	\$ 1,442,100	\$ 1,682,800

Method of Financing

General Fund	\$ 1,286,557	\$ 1,286,972	\$ 1,470,600	\$ 1,442,100	\$ 1,682,800
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Number of Employees (FTEs)	9.55	9.55	9.95	9.95	10.95
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Description of Services:

The Administrative Services budget includes management of all day-to-day operations of the city, communications with the mayor and council members, overall administration of the city's policies and procedures, human resources management (including compensation and benefits), official city records, elections, information desk, city court (including its administration for the City of Excelsior) and some oversight of park and open space planning and development.

	2014 Actual	2015 Actual	2016 Estimated	2017 Projected
Key Measures:				
Registered voters	35,225	35,234	35,400	35,200
Absentee voters	4,130	578	11,373	800
Administrative Citation Hearings	3	6	5	8
Information desk phone calls	30,666	29,541	32,000	30,000
City positions - Reg FT, PT & POC*	321	326	332	335
Employee retention rate	94.0%	83.0%	84.0%	85.0%

* Refers to number of positions, not full-time equivalents (FTEs).

Budget Comments/Issues:

The 2017 budget includes an additional communications staff position to handle the increased demands in the Communications Division and for partial transition overlap in the Human Resources Division. \$30,000 is also included to outsource the update of job descriptions to ensure compliance with employment laws enacted over the last ten years.

- The 2016 budget included an additional human resources position to handle additional administrative requirements, including ongoing turnover of full-time positions as well as mounting complexities in health care associated with the Affordable Care Act (ACA) and legal mandates. The 2015 budget also included an increase in annual costs in Other Services and Charges for implementing other fiscal and management impacts of the ACA.

- The additional FTE in 2016 was partially offset by moving the 0.5 FTE for the communications manager to be fully funded by the Cable Fund beginning 2016.

- The department's budget, for personnel services in particular, fluctuates with the occurrence of elections. In a year like 2016 with national and state elections, workload responsibilities and corresponding information desk calls increase, while costs are higher than a year like 2015 with local elections only.

- With the change to "no excuse" absentee voting for the 2016 election, the city experienced an unprecedented shift from voting on election day to more and more voters voting absentee prior to election day. Staff will continue to monitor this shift and budget accordingly.

INFORMATION TECHNOLOGY DIVISION - Administrative Services Department

Expenditures by Category	2014 Actual	2015 Actual	2016 Budget	2016 Revised	2017 Budget
Personnel	\$ 388,458	\$ 400,158	\$ 412,000	\$ 412,000	\$ 442,000
Supplies	1,263	1,459	2,800	1,800	1,400
Other Services & Charges	362,368	359,029	462,800	462,800	415,600
Capital Outlay	-	-	-	-	-
Totals	\$ 752,089	\$ 760,646	\$ 877,600	\$ 876,600	\$ 859,000

Method of Financing					
General Fund	\$ 752,089	\$ 760,646	\$ 877,600	\$ 876,600	\$ 859,000

Number of Employees (FTEs)	3.75	3.75	3.75	3.75	3.75
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Description of Services:

The Information Technology Division provides internal consulting and end-user support for technology to all city departments. Specifically, the division is responsible for implementing and maintaining the network infrastructure, desktop and mobile support, telephone system, pagers, cell phones, office equipment and audio visual equipment at 18 city locations.

<u>Key Measures:</u>	2014 Actual	2015 Actual	2016 Estimated	2017 Projected
Help Desk requests	3,879	2,700	3,000	3,000
Hand held devices supported	208	173	186	196
Field & home remote connections	124	128	128	169
Technology projects completed	29	30	37	40

Budget Comments/Issues:

The 2017 budget is consistent with 2016.

- The number of remote connections and hand held devices continues to grow requiring additional support of an increasingly mobile workforce conducting business matters in the field.
- While the number of Help Desk requests is projected to go down, the complexity of tickets are increasing primarily as they relate to new projects or initiatives.
- In 2014 and 2015, "Other Services and Charges" increased due to costs of managed backup using storage hosted by LOGIS, which is the consortium-based provider of technology services for the municipality.
- Pagers were eliminated in 2014, which accounts for the reduced number of hand held devices supported in 2015.

TECHNOLOGY DEVELOPMENT FUND - Administrative Services Department

Revenues	2014 Actual	2015 Actual	2016 Budget	2016 Revised	2017 Budget
Ad Valorem Tax Levy	\$ 405,000	\$ 415,000	\$ 395,000	\$ 395,000	\$ 580,000
Investment Income, Other	1,496	945	-	-	500
Totals	\$ 406,496	\$ 415,945	\$ 395,000	\$ 395,000	\$ 580,500
Expenditures by Category					
Technology Purchases/Upgrades	\$ 159,769	\$ 378,792	\$ 276,300	\$ 276,300	\$ 307,700
Office Equipment	66,923	77,300	77,500	77,500	118,500
Public Safety Technology	316,704	-	-	-	-
Security Equipment	79,859	5,335	-	-	-
Totals	\$ 623,255	\$ 461,427	\$ 353,800	\$ 353,800	\$ 426,200
Surplus (Deficiency) of Revenues over (under) Expenditures	(216,759)	(45,482)	41,200	41,200	154,300
Reserve for Delayed Projects	-	-	-	105,200	
Beginning Fund Balance	345,274	128,515	83,033	83,033	19,033
Ending Available Fund Balance	\$ 128,515	\$ 83,033	\$ 124,233	\$ 19,033	\$ 173,333

Description of Services:

The Technology Development fund provides for the purchase of replacement computers, local area and wide area network equipment, printers, peripheral devices, telecommunications improvements and software. It also provides for the purchase of new equipment and software that serves the city as a whole, including major office equipment such as copiers, postage machine, and security card access system enhancements.

Key Measures:	2014 Actual	2015 Actual	2016 Estimated	2017 Projected
Number of servers	17	21	22	26
Number of desktop computers	176	187	187	221
Number of laptop computers	121	114	114	108
iPads	34	49	49	72
Wireless access points	32	35	40	40

Budget Comments/Issues:

The 2017 budget reflects a tax levy increase of \$165,000 as adopted in the 2017-21 Capital Improvement Program (CIP) to meet the ongoing needs technology needs of the city.

- Adoption of the 2016 budget amended the 2016 CIP to provide an additional \$50,000 for digital planning software to be used by the Planning Division. The remainder of the 2016 budget for the Technology Fund finances the city's regular technology replacement schedule as provided in the adopted CIP.
- In 2015, the migration to virtual servers was completed.
- In 2015, \$15,000 was funded for security equipment at Williston Tower and replacement of camera at Burwell House.
- Increases in the number of wireless access points provide better coverage and mobility for wireless devices of city customers/citizens, business partners and city employees.

CABLE TELEVISION FUND - Administrative Services Department

Revenues	2014 Actual	2015 Actual	2016 Budget	2016 Revised	2017 Budget
Cable TV Franchise Fee	\$ 797,610	\$ 810,308	\$ 790,000	\$ 820,000	\$ 820,000
Public, Educational & Govt. Fee	104,344	101,769	104,500	102,000	102,000
Investment Income	26,852	20,058	15,000	9,000	10,000
Miscellaneous Income	17,104	7,746	16,100	8,700	7,500
Totals	\$ 945,910	\$ 939,881	\$ 925,600	\$ 939,700	\$ 939,500
Expenditures by Category					
Personnel	\$ 167,604	\$ 115,752	\$ 277,900	\$ 277,900	\$ 296,900
Supplies	4,188	3,448	3,500	2,700	3,500
Other Services & Charges	293,284	373,477	398,300	407,997	339,400
Capital Outlay	376,942	352,314	518,700	558,700	340,700
Transfer Expenses	30,000	30,600	31,200	31,200	31,500
Totals	\$ 872,019	\$ 875,591	\$ 1,229,600	\$ 1,278,497	\$ 1,012,000
Surplus (Deficiency) of Revenues over Expenditures	73,891	64,290	(304,000)	(338,797)	(72,500)
Reserve for Delayed Projects				711,800	
Dedicated Future Transition Reserve	775,591	1,129,600	912,000	912,000	945,396
Beginning Fund Balance	2,471,394	2,545,285	2,609,575	2,609,575	1,558,978
Ending Available Fund Balance	\$ 1,769,694	\$ 1,479,975	\$ 1,393,575	\$ 646,978	\$ 541,082
Number of Employees (FTEs)	2.00	2.00	2.50	2.50	2.50

Description of Services:

The Cable Television Fund was created in 1984 to enhance city communications both with the community and within the city's organization. It is primarily financed by franchise fees paid to the city by the local cable company in exchange for use of the city's rights-of-way. The fund finances numerous activities and events to inform and educate the public and city employees as well as to strengthen residents' sense of community, including broadcast of public meetings and special events (over 60 per year); publication of the *Minnetonka Memo* (circulation of 26,000); upkeep of the city's website and intranet; and hosting city events for residents such as Summer Festival, Burwell House Festival, Farmers' Market and City Open House. Fiber for the city's technology infrastructure is also budgeted in this fund.

Key Measures:	2014 Actual	2015 Actual	2016 Estimated	2017 Projected
% residents rating the <i>Memo</i> "excellent" or "good"	94%	98%	96%	95%
# of subscribers to city electronic communications	6,200	8,000	14,500	15,500
Average # of unique monthly website visits	NA	27,627	32,000	34,000
Burwell House visitors (Excluding Ice Cream Social visitors)	NA	910	950	1,000
Visitors - Open House & Summer Fest/Ice Cream Soc	1,000	7,500	6,400	10,000
Miles of fiber	19	19	21	24
IT supported broadcast events (city and private)	85	85	80	80

Budget Comments/Issues:

The 2017 budget is consistent with the 2016 budget.

- In 2016, a second cable television provider, CenturyLink was approved for a non-exclusive franchise agreement. Although this would be a new provider in the city, the overall number of franchise subscribers who pay the franchise fees are expected to remain consistent at around 14,600 Minnetonka subscribers.

- In 2016, Capital Outlay includes \$70,000 for replacement costs associated with core network infrastructure, uninterruptible power supplies and virtual storage architecture and \$150,000 for security equipment. Operating costs include the Imagine Minnetonka strategic initiative. The 2015 Capital Outlay includes \$96,700 for the replacement of audio and presentation equipment in Council Chambers and improvements to the city's outdoor amphitheater.

- In March of 2016, the city combined its two mass email systems into one new and improved system that also provided an option for residents to receive text messages based on subscription preferences.

- In 2014 the Summer Festival evening events were cancelled due to heavy rain and the fireworks were rescheduled for during the October Fire Department and City Open House. In 2016, the Summer Festival event was shut down for 2 hours to prepare for an impending storm; this greatly affected attendance.

- Other Services and Charges include SWCC legal advisement, playback services and Bloomington studio production expenses beginning in 2014.

- "Reserve for delayed projects" includes previously approved CIP projects for fiber infrastructure, electronic records management, audio/visual equipment and security equipment.

- The dedicated future transition reserve equals twelve subsequent months of operating and ongoing capital costs.

FINANCE DEPARTMENT

Expenditures by Category	2014 Actual	2015 Actual	2016 Budget	2016 Revised	2017 Budget
Personnel	\$ 608,662	\$ 628,404	\$ 681,700	\$ 683,400	\$ 699,000
Supplies	5,848	4,439	6,900	5,500	5,800
Other Services & Charges	125,949	130,482	148,400	148,000	163,600
Capital & Other	198	3,807	3,800	3,800	4,400
Totals	\$ 740,657	\$ 767,132	\$ 840,800	\$ 840,700	\$ 872,800

Method of Financing

General Fund	\$ 740,657	\$ 767,132	\$ 840,800	\$ 840,700	\$ 872,800
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Number of Employees (FTEs)	6.0	6.0	6.0	6.0	6.0
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Description of Services:

The mission of the Finance Department is to protect and safely manage the assets of the city and to provide accurate, timely and complete financial information in an understandable and friendly manner to the public and staff. The department is responsible for the functions of preparation of budgets, payroll, utility billing, purchasing, investing city funds, debt, financial reporting, and managing as well as safeguarding other city assets as requested by city council and/or the city manager and in compliance with federal, state and local legal requirements. It assists other city departments in developing appropriate recommendations for fee schedules, fiscal analysis including examination of program costs and benefits, and other financial evaluations as needed.

Key Measures:	2014 Actual	2015 Actual	2016 Estimated	2017 Projected
Utility customer accounts	16,905	16,957	16,970	16,985
Utility customers using city online billing	11%	12%	14%	15%
Utility customers paying electronically	35%	52%	55%	57%
Average monthly vendor payments	597	615	615	615
Vendors paid electronically	4.3%	12%	12%	14%
Average payroll count (incl. FT, PT, firefighters)	532	525	525	530
Annual rate of return on investments	0.70%	0.85%	0.95%	1.05%
Moody's credit rating	Aaa	Aaa	Aaa	Aaa
GFOA Award for Excellence in Financial Reporting	Awarded	Awarded	Awarded	Awarded

Budget Comments/Issues:

The 2017 budget for the Finance Department generally supports current level services.

- The department continues to move towards greater efficiencies through electronic transactions. In 2016, the department began implementation of a software system for the city's internal, electronic check request process and invoice filing, and this new system required an additional \$3,500 annually budgeted under "Other Services & Charges" beginning 2016. The city offers online utility billing, and the number of customers choosing to receive bills and pay electronically continues to rise. In 2014, the city worked with LOGIS to negotiate a contract with a bank for system services to electronically pay vendors, the costs for which are budgeted under "Capital & Other" above beginning 2015.
- In 2015, the city began developing a plan for ensuring ongoing compliance with Payment Card Industry (PCI) Data Security Standards. Working with city IT staff and an outside vendor, the plan will require equipment, management and process changes and staff training that will impact all programs in the city where credit cards are accepted as payment, both online and in-person. Costs for plan development, training and some equipment are reflected across affected city programs beginning in their 2016 budgets.
- U.S. Internal Revenue Service has required the city to change payment of recreation referees and instructors as independent contractors to employees beginning 2014. One impact of this change was a reduction in the number of payment checks processed and an increase the city's payroll count.
- The full-time utility billing clerk is budgeted above and reimbursed to the General Fund by the Utility Fund. Another part-time staff member to assist with utility billing is funded directly by the Utility Fund.

INSURANCE FUND - Administrative Services Department

Revenues	2014 Actual	2015 Actual	2016 Budget	2016 Revised	2017 Budget
Interfund Transfers In	\$ 735,152	\$ 747,835	\$ 673,100	\$ 673,100	\$ 673,100
Investment Income	9,811	6,114	2,000	5,400	6,000
Miscellaneous	64,187	86,395	-	-	-
Refunds and Dividends	-	-	-	-	-
Totals	\$ 809,150	\$ 840,344	\$ 675,100	\$ 678,500	\$ 679,100
Expenditures by Category					
Premiums	\$ 376,552	\$ 375,766	\$ 437,000	\$ 437,000	\$ 400,000
Settlements	142,927	184,800	150,000	150,000	150,000
Other Services & Charges	20,460	15,500	29,500	29,500	18,000
Capital Outlay	-	-	-	-	-
Totals	\$ 539,939	\$ 576,066	\$ 616,500	\$ 616,500	\$ 568,000
Surplus (Deficiency) of Revenues over Expenditures	269,211	264,278	58,600	62,000	111,100
<i>Beginning Fund Balance</i>	<i>994,487</i>	<i>1,263,698</i>	<i>1,527,976</i>	<i>1,527,976</i>	<i>1,589,976</i>
Ending Fund Balance	\$ 1,263,698	\$ 1,527,976	\$ 1,586,576	\$ 1,589,976	\$ 1,701,076

Description of Services:

The Insurance Fund was created in 1986 to ensure that the city retains viable and cost-effective insurance coverage. Other city funds are allocated appropriate portions of the premium costs on an annual basis and transferred into the fund. The fund supports the following: 1) premiums for the city's package policies (general liability, property, boiler, etc.), 2) fees for the city's agent of record, 3) settlements (deductibles) for general liability claims and workers' compensation, and 4) risk management, including some costs for safety training. It does not cover workers' compensation premiums, which are financed by each operating division under personnel costs.

Key Measures:	2014 Actual	2015 Actual	2016 Estimated	2017 Projected
Liability rating (less than 1.0 is good)	1.35	1.30	1.30	1.35
Workers comp mod factor (less than 1.0 is good)	1.18	0.84	0.94	1.00

Budget Comments/Issues:

The city's workers compensation experience rating as measured above by the "mod factor" has fluctuated over the last several years due to an aging work force as well as some significant claims "cycling out" of the city's three-year experience window, which also determines the city's insurance premium cost.

- An appropriate fund balance in the Insurance fund should cover the city's maximum total liability under its policy coverage through the League of Minnesota Cities Insurance Trust (LMCIT) as well as a minimum of \$1 million towards any potentially awarded civil rights claim, which would be outside of state liability limitations. Revenues to the Insurance Fund are programmed through the budgets of contributing city divisions in order to maintain such a reserve over time.
- The workers comp mod factor relates to the frequency and severity of an employer's workers compensation claims over a three-year period, and it is used to calculate the premium. A mod factor of 1.00 is considered average for an employer's particular industry; the lower the mod factor, the better.
- The liability rating is calculated by using a formula that looks at the city's expected liability claim losses compared to the actual losses. Data is used over a three-year period, and it is used to calculate the premium. A liability rating of 1.00 means the city's actual losses equal the expected losses for a city of similar size and expenditures.

CONTINGENCY BUDGET - Finance Department

Expenditures by Category	2014 Actual	2015 Actual	2016 Budget	2016 Revised	2017 Budget
Contingency	\$ -	\$ -	\$ 50,000	\$ 50,000	\$ 50,000
<i>Total Contingency</i>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 50,000</u>

Description of Services:

The city budgets a targeted amount for contingency in the event that unanticipated expenses arise during the fiscal year that require additional funding. If the monies are not required, they are returned to the fund balance of the General Fund.

Budget Comments/Issues:

Over time, the amount budgeted for contingency has been revised up and down to reflect current conditions. The city has not required its use in recent history.

**2017 BUDGET SUMMARY - All Funds
by Service Program & Budget**

Service Program	Budgetary Unit	%	Budget				
			All Budgets	Gen'l Fund Operating	Enterprise Operating	Capital	Other
Public Safety:	Police Department		\$ 9,231,800	\$ 9,154,700	\$ -	\$ -	\$ 77,100
	Dispatch Division		894,100	894,100	-	-	-
	Fire Department		2,972,000	2,972,000	-	-	-
	Public Safety Fund		841,100	-	-	841,100	-
	Environmental Health Division		397,900	397,900	-	-	-
	Grants Special Revenue Fund		197,000	-	-	-	197,000
	Legal Department		830,000	805,000	-	-	25,000
	<i>Subtotal</i>	<i>18.7%</i>	<i>\$ 15,363,900</i>	<i>\$ 14,223,700</i>	<i>\$ -</i>	<i>\$ 841,100</i>	<i>\$ 299,100</i>
Streets & Utilities:	Engineering Department		\$ 1,238,800	\$ 1,238,800	\$ -	\$ -	\$ -
	Street Improvement Fund		8,161,200	-	-	8,161,200	-
	MSA Fund		2,669,463	-	-	2,500,000	169,463
	Storm Water Fund		2,362,300	-	859,700	1,502,600	-
	Electric Franchise Fee Fund		2,260,000	-	-	2,260,000	-
	Street Maintenance Division		3,604,800	3,604,800	-	-	-
	Building Maintenance Division		1,284,100	1,284,100	-	-	-
	Fleet Maintenance Division		1,665,200	-	-	-	1,665,200
	Shady Oak Rd/Oak Dr		1,377,901	-	-	1,357,901	20,000
	Capital Replacement Fund*		1,942,800	-	-	1,942,800	-
	Water & Sewer Utility Fund		19,091,300	-	9,398,400	8,592,700	1,100,200
	<i>Subtotal</i>	<i>55.7%</i>	<i>\$ 45,657,864</i>	<i>\$ 6,127,700</i>	<i>\$ 10,258,100</i>	<i>\$ 26,317,201</i>	<i>\$ 2,954,863</i>
Parks & Environ:	Parks & Trails Division		\$ 1,740,300	\$ 1,740,300	\$ -	\$ -	\$ -
	Natural Resources Division		1,358,700	1,358,700	-	-	-
	Forestry Fund		154,000	-	-	154,000	-
	Environmental Fund		768,300	-	768,300	-	-
	Park & Trail Improvement Fund		728,500	-	-	728,500	-
	Park & Open Space Bonds		-	-	-	-	-
	Community Investment Fund		150,000	-	-	150,000	-
	<i>Subtotal</i>	<i>6.0%</i>	<i>\$ 4,899,800</i>	<i>\$ 3,099,000</i>	<i>\$ 768,300</i>	<i>\$ 1,032,500</i>	<i>\$ -</i>
Recreation:	Joint Recreation		\$ 1,420,400	\$ 1,420,400	\$ -	\$ -	\$ -
	Minnetonka Recreation		634,400	634,400	-	-	-
	Senior Services		384,900	384,900	-	-	-
	Community Center		545,000	545,000	-	-	-
	Williston Center		2,293,300	-	2,058,800	234,500	-
	Ice Arena		821,500	-	821,500	-	-
	Ice Arena Imp Fund		-	-	-	-	-
	Gray's Bay Marina		192,500	-	192,500	-	-
	<i>Subtotal</i>	<i>7.7%</i>	<i>\$ 6,292,000</i>	<i>\$ 2,984,700</i>	<i>\$ 3,072,800</i>	<i>\$ 234,500</i>	<i>\$ -</i>
Development:	Community Devpt Division		\$ 1,686,700	\$ 1,686,700	\$ -	\$ -	\$ -
	Planning Division		721,300	721,300	-	-	-
	Assessing Division		767,200	767,200	-	-	-
	Development Fund		482,300	-	-	-	482,300
	HRA Fund		175,000	-	-	-	175,000
	Livable Communities Fund		100,000	-	-	-	100,000
	CDBG Fund		157,000	-	-	-	157,000
	<i>Subtotal</i>	<i>5.0%</i>	<i>\$ 4,089,500</i>	<i>\$ 3,175,200</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ 914,300</i>
General Gov't:	Mayor & City Council		\$ 242,700	\$ 242,700	\$ -	\$ -	\$ -
	General Administration		1,682,800	1,682,800	-	-	-
	Information Tech Division		859,000	859,000	-	-	-
	Technology Fund		426,200	-	-	426,200	-
	Cable Fund		980,500	-	-	340,700	639,800
	Finance Department		872,800	872,800	-	-	-
	Insurance Fund		568,000	-	-	-	568,000
	Contingency		50,000	50,000	-	-	-
	<i>Subtotal</i>	<i>6.9%</i>	<i>\$ 5,682,000</i>	<i>\$ 3,707,300</i>	<i>\$ -</i>	<i>\$ 766,900</i>	<i>\$ 1,207,800</i>
TOTALS		100.0%	\$ 81,985,064	\$ 33,317,600	\$ 14,099,200	\$ 29,192,201	\$ 5,376,063

* Capital Replacement Fund budget is allocated to only "Streets & Utilities" in this table, but is split by actual service program under the Summary tab of book.

**2016 REVISED BUDGET SUMMARY - All Funds
by Service Program & Budget**

Service Program	Budgetary Unit	%	All Budgets	Budget			
				Gen'l Fund Operating	Enterprise Operating	Capital	Other
Public Safety:	Police Department		\$ 8,965,600	\$ 8,899,700	\$ -	\$ -	\$ 65,900
	Dispatch Division		879,900	879,900	-	-	-
	Fire Department		2,675,200	2,675,200	-	-	-
	Public Safety Fund		413,900	-	-	413,900	-
	Environmental Health Division		366,600	366,600	-	-	-
	Grants Special Revenue Fund		111,000	-	-	44,000	67,000
	Legal Department		804,500	779,500	-	-	25,000
	<i>Subtotal</i>	<i>15.2%</i>	<i>\$ 14,216,700</i>	<i>\$ 13,600,900</i>	<i>\$ -</i>	<i>\$ 457,900</i>	<i>\$ 157,900</i>
Streets & Utilities:	Engineering Department		\$ 1,149,200	\$ 1,149,200	\$ -	\$ -	\$ -
	Street Improvement Fund		5,712,000	-	-	5,712,000	-
	MSA Fund		2,097,964	-	-	1,923,300	174,664
	Storm Water Fund		3,938,300	-	618,300	3,320,000	-
	Electric Franchise Fee Fund		1,300,000	-	-	1,300,000	-
	Street Maintenance Division		3,472,600	3,472,600	-	-	-
	Building Maintenance Division		1,240,400	1,240,400	-	-	-
	Fleet Maintenance Division		1,626,200	-	-	-	1,626,200
	Shady Oak Rd/Oak Dr		33,437	-	-	-	33,437
	Capital Replacement Fund*		2,573,300	-	-	2,573,300	-
	Water & Sewer Utility Fund		32,237,425	-	10,361,825	10,726,300	11,149,300
	<i>Subtotal</i>	<i>59.3%</i>	<i>\$ 55,380,826</i>	<i>\$ 5,862,200</i>	<i>\$ 10,980,125</i>	<i>\$ 25,554,900</i>	<i>\$ 12,983,601</i>
Parks & Environ:	Parks & Trails Division		\$ 1,661,200	\$ 1,661,200	\$ -	\$ -	\$ -
	Natural Resources Division		1,300,200	1,300,200	-	-	-
	Forestry Fund		384,000	-	-	384,000	-
	Environmental Fund		737,600	-	737,600	-	-
	Park & Trail Improvement Fund		651,700	-	-	651,700	-
	Park & Open Space Bonds		2,562,145	-	-	2,562,145	-
	Community Investment Fund		250,000	-	-	250,000	-
	<i>Subtotal</i>	<i>8.1%</i>	<i>\$ 7,546,845</i>	<i>\$ 2,961,400</i>	<i>\$ 737,600</i>	<i>\$ 3,847,845</i>	<i>\$ -</i>
Recreation:	Joint Recreation		\$ 1,333,300	\$ 1,333,300	\$ -	\$ -	\$ -
	Minnetonka Recreation		636,600	636,600	-	-	-
	Senior Services		371,500	371,500	-	-	-
	Community Center		527,200	527,200	-	-	-
	Williston Center		2,390,900	-	2,016,400	374,500	-
	Ice Arena		811,500	-	811,500	-	-
	Ice Arena Imp Fund		51,700	-	-	51,700	-
	Gray's Bay Marina		172,700	-	172,700	-	-
	<i>Subtotal</i>	<i>6.7%</i>	<i>\$ 6,295,400</i>	<i>\$ 2,868,600</i>	<i>\$ 3,000,600</i>	<i>\$ 426,200</i>	<i>\$ -</i>
Development:	Community Devpt Division		\$ 1,675,100	\$ 1,675,100	\$ -	\$ -	\$ -
	Planning Division		706,100	706,100	-	-	-
	Assessing Division		727,200	727,200	-	-	-
	Development Fund		599,300	-	-	-	599,300
	HRA Fund		175,000	-	-	-	175,000
	Livable Communities Fund		234,000	-	-	-	234,000
	CDBG Fund		159,745	-	-	-	159,745
	<i>Subtotal</i>	<i>4.6%</i>	<i>\$ 4,276,445</i>	<i>\$ 3,108,400</i>	<i>\$ -</i>	<i>\$ -</i>	<i>\$ 1,168,045</i>
General Gov't:	Mayor & City Council		\$ 237,500	\$ 237,500	\$ -	\$ -	\$ -
	General Administration		1,442,100	1,442,100	-	-	-
	Information Tech Division		876,600	876,600	-	-	-
	Technology Fund		353,800	-	-	353,800	-
	Cable Fund		1,247,297	-	-	558,700	688,597
	Finance Department		840,700	840,700	-	-	-
	Insurance Fund		616,500	-	-	-	616,500
	Contingency		50,000	50,000	-	-	-
	<i>Subtotal</i>	<i>6.1%</i>	<i>\$ 5,664,497</i>	<i>\$ 3,446,900</i>	<i>\$ -</i>	<i>\$ 912,500</i>	<i>\$ 1,305,097</i>
TOTALS		100.0%	\$ 93,380,713	\$ 31,848,400	\$ 14,718,325	\$ 31,199,345	\$ 15,614,643

* Capital Replacement Fund budget is allocated to only "Streets & Utilities" in this table, but is split by actual service program under the Summary tab of book.

STAFFING LEVELS - 2016 & 2017

Full-Time Equivalents (FTEs)

<i>Service Category</i>	<i>Budgetary Unit</i>	<i>2016</i>		<i>2017</i>	<i>%</i>
		<i>2016</i>	<i>Revised</i>		
		<i>Budget</i>	<i>Budget</i>	<i>Budget</i>	
Public Safety:	Police Department	67.45	67.45	67.45	
	Dispatch	9.00	9.00	9.00	
	Fire Department*	6.50	6.50	8.00	
	Environmental Health Division	3.50	3.50	3.50	
	Legal Department	6.00	6.00	6.00	
	<i>Subtotal</i>		<u>92.45</u>	<u>92.45</u>	<u>93.95</u>
Streets & Utilities:	Engineering Department	9.25	9.25	9.50	
	Storm Water Fund	0.50	0.50	1.50	
	Street Maintenance Division	21.10	21.10	21.10	
	Building Maintenance Division	8.38	8.38	8.38	
	Fleet Maintenance Division	4.38	4.38	4.38	
	Water & Sewer Utility Fund	18.40	18.40	18.40	
<i>Subtotal</i>		<u>62.01</u>	<u>62.01</u>	<u>63.26</u>	<u>25.6%</u>
Parks & Environ:	Parks & Trails Division	10.08	10.08	10.08	
	Natural Resources Division	6.48	6.48	6.48	
	Environmental Fund	0.48	0.48	0.48	
<i>Subtotal</i>		<u>17.04</u>	<u>17.04</u>	<u>17.04</u>	<u>6.9%</u>
Recreation:	Joint Recreation	6.35	6.35	6.35	
	Minnetonka Recreation	0.75	0.75	0.75	
	Senior Services	2.50	2.50	2.50	
	Community Center	3.37	3.37	3.37	
	Williston Center	7.45	8.45	8.45	
	Ice Arena	3.00	3.00	3.00	
	Gray's Bay Marina	0.20	0.20	0.20	
<i>Subtotal</i>		<u>23.62</u>	<u>24.62</u>	<u>24.62</u>	<u>10.0%</u>
Development:	Community Devpt Division	13.10	13.10	13.10	
	Planning Division	6.00	6.00	6.00	
	Assessing Division	5.60	5.60	5.60	
<i>Subtotal</i>		<u>24.70</u>	<u>24.70</u>	<u>24.70</u>	<u>10.0%</u>
General Gov't:	Mayor & City Council**	7.00	7.00	7.00	
	General Administration	9.95	9.95	10.95	
	Information Tech Division	3.75	3.75	3.75	
	Cable Fund	2.50	2.50	2.50	
	Finance Department	6.00	6.00	6.00	
<i>Subtotal</i> **		<u>22.20</u>	<u>22.20</u>	<u>23.20</u>	<u>9.4%</u>
TOTALS **		<u>242.02</u>	<u>243.02</u>	<u>246.77</u>	<u>100.0%</u>

* Excludes paid-on-call firefighters.

** Mayor and council members are excluded from FTE totals.

City of Minnetonka, Minnesota
2017 Budget
BONDED INDEBTEDNESS

	G.O. Revenue Bonds			G.O. Bonds				G.O. State-Aid
	Utility Refunding 2012	Utility 2016A	Utility (portion) 2016B	Park Referendum 2008**	Park Ref Refunding 2010**	Park Ref Refunding 2012	Park Ref (portion) 2016B	Street Bonds 2008
Original Amount	\$ 1,915,000	\$ 10,000,000	\$ 7,560,000	\$ 2,490,000	\$ 2,620,000	\$ 2,500,000	\$ 2,440,000	\$ 2,215,000
Outstanding 12/31/2016								
Principal	1,120,000	10,000,000	7,560,000	1,560,000	810,000	1,470,000	240,000	1,195,000
Interest	61,320	2,365,148	1,705,598	158,975	23,450	59,500	302,942	201,972
Total	\$ 1,181,320	\$ 12,365,148	\$ 9,265,598	\$ 1,718,975	\$ 833,450	\$ 1,529,500	\$ 542,942	\$ 1,396,972
Amounts Due in 2017								
Principal	275,000	-	-	150,000	400,000	355,000	-	125,000
Interest	19,650	220,474	153,598	57,288	17,300	25,850	49,342	44,463
Total	\$ 294,650	\$ 220,474	\$ 153,598	\$ 207,288	\$ 417,300	\$ 380,850	\$ 49,342	\$ 169,463
To be paid from:								
Property Taxes*	-	-	-	214,699	443,415	406,665	271,740	-
State Aid (MSA)	-	-	-	-	-	-	-	169,463
Utility Fund	294,650	220,474	153,598	-	-	-	-	-
Total	\$ 294,650	\$ 220,474	\$ 153,598	\$ 214,699	\$ 443,415	\$ 406,665	\$ 271,740	\$ 169,463
Final Payment Year	2020	2036	2036	2020	2018	2020	2036	2024

CITY OF MINNETONKA

2017 Budget Calendar2016

February 1	Capital Improvement Program (CIP) forms sent to departments.
February 29	Departments submit capital requests to city manager.
Week of March 21	City manager meets with department leadership to discuss CIP requests.
April 18	City council study session on 2017-21 CIP and 2017-21 Economic Investment Program (EIP).
May 16	City council study session on Strategic Profile performance, citizen survey results and new goals.
May 23	City Council adopts 2017-21 EIP.
June 20	Second city council study session on 2017-21 CIP.
June 6	Budget work papers are made available to departments.
July 11	City Council adopts 2017-21 CIP.
Weeks of July 5 & 11	City manager meets with departments to discuss 2016-17 department merit indicators, big budget issues, and key measures, including identified relationships to the city's Strategic Profile.
July 25	Forecasts completed for compensation and benefits, internal service fund allocations, utility costs, technology contract costs, fee and other revenue. Departments submit revised indicators, key measures and issues.
August 10	Budget memo sent to city council.
August 15	First city council budget study session.
September 12	City council adopts preliminary levies and announces public budget hearing date.
September 14	Budget instructions and targets provided to departments.
October 19	Departments submit detailed budget requests.
November 14-25	Hennepin County sends parcel specific proposed tax estimates to taxpayers.
November 16	City manager sends proposed 2017 budget and revised 2016 budget to city council members.
November 21	Second city council budget study session.
December 5	City council holds public budget hearing and adopts final 2017 budget, 2017 tax levies and revised 2016 budget.
December 19	Alternate date for council adoption of budgets and levies, should changes be required after December 5 council meeting.
December 28	Final 2017 levies certified to Hennepin County.

City of Minnetonka, MN

MINNETONKA CITY COUNCIL
(Economic Development Authority)

Mayor Terry Schneider

Council Members at Large: Dick Allendorf
Patty Acomb

Ward Representation:
Ward 1: Bob Ellingson
Ward 2: Tony Wagner
Ward 3: Brad Wiersum
Ward 4: Tim Bergstedt

BOARDS & COMMISSIONS

- Charter Commission
- Planning Commission
- Economic Development Advisory Committee
- Park Board
- Senior Citizen Advisory Board

City Attorney
Corrine Heine

CITY MANAGER
Geralyn Barone

PUBLIC SAFETY

PUBLIC WORKS

PARKS & RECREATIONS

DEVELOPMENT SERVICES

ADMINISTRATION

POLICE
Chief Scott Boerboom

Patrol
Investigation
9-1-1 Dispatch
Support Services
Community Engagement

PUBLIC WORKS
Brian Wagstrom

Streets
Water & Sewer
Parks, Buildings & Grounds
Natural Resources
Recycling

RECREATION SERVICES
Dave Johnson

Recreation programs
Ice Arena
Williston Center
Gray's Bay Marina
Senior Services

COMMUNITY DEVELOPMENT
Julie Wischnack

Inspections
Environmental Health
Licensing
Planning & Zoning

ADMINISTRATIVE SERVICES
Perry Vetter

City Clerk & Elections
Human Resources
Information Technology
Communications
Risk Management

FIRE
John Vance

Emergency Management
Inspection
Prevention
Response

ENGINEERING
Will Manchester

Street & Utility
Planning & Design

FINANCE
Merrill King

Accounting
Budget
Payroll
Utility Billing
Assessing
Special Assessments

LEGAL
Corrine Heine

Prosecution
Legal advice to the city